

# 2022

## Accounting Research and Development Foundation Sustainability Report

Ebook



2021 Sustainability Report

Internationalization  
Professionalization  
Universalization



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# About the Report

## About the Report

Under the principles of information transparency and accountability, to enhance stakeholders' trust in us, we compiled the 2022 Sustainability Report in accordance with the core option of the New GRI Standards (2021). The purpose of this report is to allow the outside to have an in-depth understanding of the Foundation's performance in leading the development of accounting profession, providing new knowledge and perspective, and managing sustainable operation.

The Foundation will continue to issue sustainability reports annually. The reporting period of the 2022 sustainability report is from January 1 to December 31, 2022, and the reporting period of the last report is from January 1 to December 31, 2021.

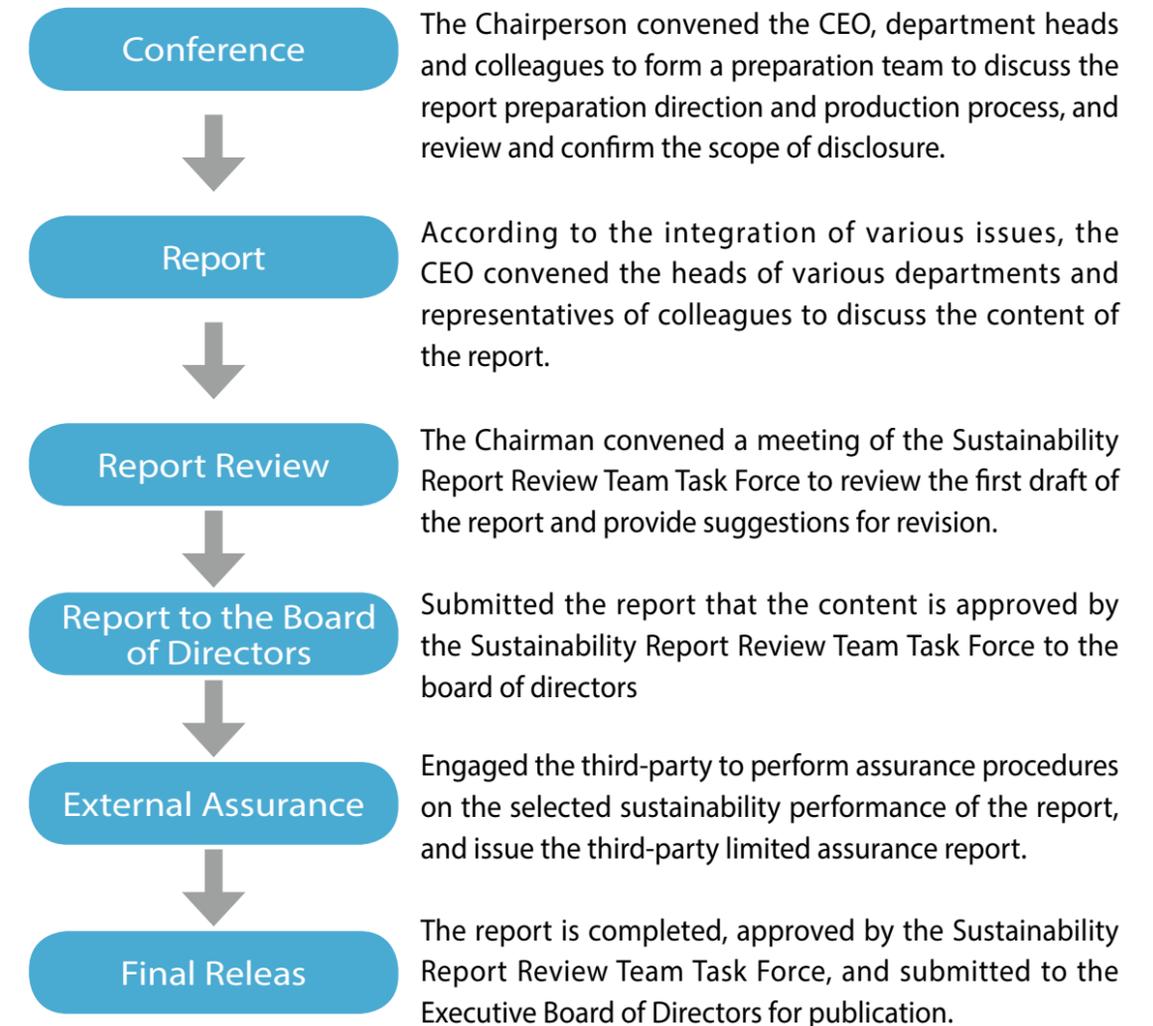
## Reporting Scope

The information disclosed in this report covers the performance of the Foundation in 2022; for the sake of completeness, some of the information spans to 2021.

## Report Assurance

This report is compiled in accordance with the GRI Standards (2021) of the Global Reporting Initiative (GRI). In order to ensure the reliability of the contents of the report, the Foundation has engaged PwC Taiwan to perform assurance procedures on the selected sustainability performance information of this report in accordance with International Standard on Assurance Engagements (ISAE) 3000, to which PwC Taiwan has concluded with an opinion of limited assurance. A copy of this opinion is included in the appendices of this report.

## The preparation procedure of the report



## Contact Information

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## 2022 Chairperson's Message

Our professional team of the Foundation makes good use of technology and strategies to maintain communication with various international and domestic professional groups without interruption due to the pandemic. For example, my researchers and I participated in "2022 International Forum of World Standard Setters" and "International Forum of Accounting Standard Setters" held in London via video conference. In addition, in mid-July 2022, I accepted the invitation of the International Institute of Internal Auditors (IIA) to go to Chicago, USA to receive the Victor Z. Brink Outstanding Professional Award from the International Institute of Internal Auditors; At the same time, the delegation and I went to San Francisco to visit the headquarters of the US Sustainability Accounting Standards Board (SASB) to discuss cooperation strategy plans related to sustainability disclosure standards.

Sustainability-related issues have received wide attention internationally, and the practice of environment, society, and governance (ESG) and the disclosure of sustainable information have become important issues around the world. Under the guidance of the Financial Regulatory Commission, from June 23 to 25 this year (2022), the Foundation held the "2022 ESG Summit: Environment, Society, Governance" for the first time, inviting benchmark organizations distinguished in domestic sustainable development, social responsibility and corporate governance. Benchmark organizations in the field participated in the exhibition; advocated to innovate business models with AI technology to achieve the goal of sustainable operation; Huang Tianmu, chairman of the Financial Supervision and Administration Commission, came to guide and explain the relevant policies of the Financial Supervision and Administration Commission for sustainable development in his opening speech, and affirmed the forward-looking and professionalism of the ESG summit held by the Foundation.

The International Financial Reporting Standards Foundation Sustainability Standards Board (IFRS ISSB) is expected to officially release the Sustainability Disclosure Standard by the end of June 2023. In the future, the world will tend to adopt consistent sustainability disclosure guidelines. In order to encourage domestic enterprises to enhance their ability to prepare sustainability reports and share best practices, the Foundation plans to hold the "2023 ESG Summit and Forum" on November 16 this year, and prepare sustainable information disclosure awards to advocate ESG and improve the quality level of sustainable information disclosure of listed companies.

Issues related to corporate sustainability have gradually attracted the attention of financial regulatory agencies around the world. In order to strengthen the international competitiveness of domestic capital market, continue to promote the disclosure of sustainable information of domestic enterprises, and improve the quality of information disclosure, the Foundation will establish a Sustainability Standards Committee in 2023 to carry out the release, research and development, and promotion and education of sustainability standards. In order to form the Sustainability Standards Committee, the Foundation will establish a Sustainability Project Preparatory Committee in 2022 to carry out various preparatory work for the Sustainability Standards Committee.

With the impact of climate change on financial disclosure and net-zero carbon emissions being focused by countries all over the world, the Foundation purchased a new office space in Xizhi. The space design integrates the ESG thinking of "energy saving and carbon reduction" to create a simple and energy-efficient working environment and interior. The flipped classrooms in the outer circle and the practical and beautiful ESG Corner communication area can be seen everywhere that the Foundation has effectively implemented energy-saving and carbon-reduction actions. The professional potential of the Foundation is infinite. My colleagues and I will continue to strive for professional excellence and create a sustainable and beautiful future.

*Dawn Yi Hsin Wang*

## 2022 CEO's Overview

We have a variety of challenges in year 2022. However, we not only conquered them but also opened our new era.

First and foremost, with regards to research and promotion of sustainability issues, the Foundation, under the guidance of the Financial Supervisory Commission Securities and Futures Bureau, has successfully translated the Exposure Draft IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft S2: Climate-Related Disclosures into Traditional Chinese. Additionally, the Foundation was entrusted by the Taiwan Stock Exchange to finalize the TCFD disclosure examples. In August, the "Preparatory Task Force for the Sustainability Standards Committee" was established with the objective of aligning Taiwan's sustainability standards with international benchmarks.

Moreover, in accordance with the Capital Market Blueprint released by the Financial Supervisory Commission, the Foundation's Auditing Standards Committee conducted a thorough review and revision of the framework and Preface to the Pronouncements Issued by Auditing Standards Committee within the auditing standards. Comprehensive revisions were made to the pertinent standards to enhance the quality of audits.

A pioneering work for the Foundation in 2022 was to hold the "2022 ESG Summit : Environmental, Social and Governance", which include six different topic exhibitions to display concepts and practices on ESG. This activity captured a lot of attentions and received positive feedbacks.

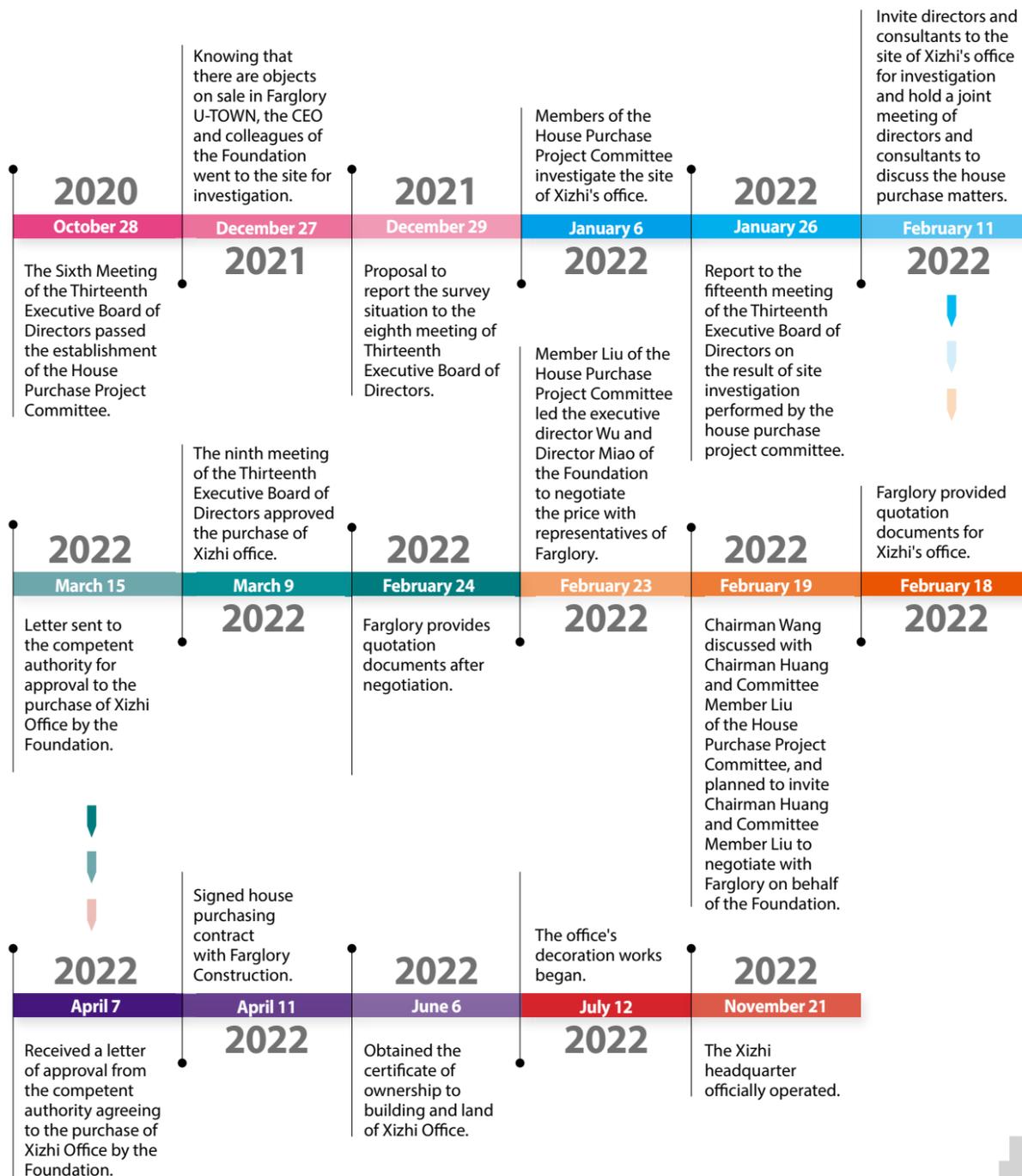
We purchased new office in Xizhi District, New Taipei City, and started to operate in both Taipei City office and New Taipei City office. This event surely was another landmark for the Foundation in 2022. In the meanwhile, we offer much more flexible office hours to meet the requirements of the employees.

In the light of those important development mentioned above, 2022 has been a year of great success in such a difficult external environment. I would like to conclude by expressing my deepest gratitude to all support and encouragement from various sectors. The Foundation will appoint new Board members in the first quarter in 2023, I believe the new members will bring us to a refreshing new look and continue their excellent work.

*Louise Ju Yu Wu*

# Our Highlights of 2022

## Xizhi Headquarters officially Operated



## 2022 ESG Summit

### Activity Results

- More than **10,000** people attended the Summit.
- Nearly **18,000** people watched the live broadcast.

We have **82** partners and **60** exhibitors in 2022 ESG Summit.



## Media Exposure

**3,401,581** Views

Digital technology continues to innovate. In response to the digital era, the Foundation provides videos and virtual training courses, and has a significant effects via establishing ARDF EDU online college and social media to promote our activities.

## Advocacy Results

**57,164** Participants

Under the guidance of the Board of Directors and the support from all sectors, the Foundation proactively organized relevant accounting education and promotional activities For the first time, the Foundation held a physical exhibition in this year and supplemented by a live broadcast to expand the benefits of advocacy, and the result was remarkable.

# 2022 ESG Summit Jointly shows the new ESG ecology

The Foundation held the "2022 ESG summit" in Taipei World Trade Center Exhibition Hall 1 from June 24, 2022 to June 25, 2022. The foundation invited domestic benchmark enterprises in the fields of sustainable development, social responsibility and corporate governance to participate in the exhibition, and demonstrated the innovative business model with artificial intelligence technology to achieve the goal of sustainable operation. About 82 partners and 60 exhibitors participated in this exhibition, with more than 10,000 on-site participants. The event was broadcast live through the Foundation's FB fan page and YouTube channel, and there were more than 8,000 online viewers.

The Foundation invited Dr. Tien-Mu Huang, chairman of the Financial Supervisory Commission, to deliver a speech, and invited a number of celebrities, including Chair Professor Ting-Wong Cheng of National Chengchi University, Deputy Minister Shien-Quey Kao of the National Development Council, Chairman Sher-Man Lin of Taiwan Stock Exchange Corporation, Deputy Director Rong-Ming Chen of the Department of Transportation, Taipei City Government, Director Chen-Shan Chang of the Securities and Futures Bureau of the Financial Supervisory Commission and other distinguished guests to kick off the summit together. Ms. Sue Lloyd, Vice Chairman of the International Sustainability Standards Board (ISSB), also recorded a specially video to support this ESG summit.



Opening Ceremony of 2022 ESG Summit

The "2022 ESG Summit" exhibition area is divided into (1) ESG performance stage area, (2) financial industry innovation and sustainability area, (3) manufacturing innovation and sustainability area, (4) service industry, (5) university USR achievement presentation and charity exhibition area, and (6) sustainable food tasting area, exhibitors demonstrated a wealth of ESG achievements and enthusiastically interacted with visitors through activities. During the two-day exhibition, a total of 20 professional seminars or performances were held in the super stage area, charity stage area, ESG salon and conference room on the second floor to promote the sustainable accounting standards to be developed by ISSB to enterprises and investors, to make the disclosure of enterprises more consistent and relevant, and show the results of the current practice of ESG by government agencies, business groups and even universities. through the joint participation of all walks of life, to stimulate the thinking of the future feasibility of the sustainable development of Taiwan society.



Ms. Sue Lloyd, vice chairman of the International Sustainability Standards Board (ISSB), opening speech

## Activity Results

## the Activities of Exhibition Booths Tidbits of 2022 ESG summit





Activity Results Charity Stage Performances

2022 ESG Summit Charity stage held showcase events and university CSR seminars

Activity Results Professional Forums

"2022 ESG Summit" held several professional forums at Super Stage





**Activity Results  
ESG Salon**

**Holding seminars in ESG salon in 2022 ESG Summit held several seminars in ESG salon including blockchain, metaverse, sustainable information disclosure and responsibility auditing**



**“ARDF EDU Sustainable Development Online Academy” Launched**

Due to global outbreak of COVID-19, the world has become increasingly aware of the crisis of climate change. Environmental, social, and governance (ESG) reports have become important reference information for investors to evaluate whether a company is implementing sustainable practices. As a result, stakeholders have called for companies to go beyond their traditional financial reports and publish annual sustainability reports.

The Financial Supervisory Commission has implemented policies such as the “Corporate Governance 3.0-Sustainable Development Roadmap” and the “Sustainable Development Guidemap for TWSE and TPEX Listed Companies” to strengthen ESG information disclosure for listed companies. The annual sustainability reports will include disclosures related to climate change, such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) standards. Listed companies are required to disclose how they manage climate-related risks and opportunities through their performances on governance, strategy, risk management, and metrics and targets.

To promote ESG policies and assist companies in enhancing their ability to prepare and use sustainability reports, the Foundation had established the “ARDF EDU Sustainable Development Online Academy” in October 2022. This academy provides convenient access to ESG knowledge for companies anytime, anywhere.

The “ARDF EDU Sustainable Development Online Academy” offers rich curricula, including topics such as promoting green transformation, sustainable corporate ethics, the impact of global net-zero emissions, analysis of IFRS ISSB standards, preparing TCFD reports, and reading sustainability reports. The academy aims to enhance overall ESG sustainable professional capabilities.

 <p><b>建立ESG永續策略 提升競爭力3堂課</b></p> <p>1位參與者</p> <p>建立ESG永續策略提升競爭力: NT\$699</p> <p>加入</p>	 <p><b>最新公司治理政策法令與常見缺失解析 3堂課</b></p> <p>1位參與者</p> <p>最新公司治理法令與缺失解析: NT\$699</p> <p>加入</p>	 <p><b>ESG資訊揭露趨勢</b></p> <p>1位參與者</p> <p>ESG資訊揭露趨勢: NTS699</p> <p>加入</p>
 <p><b>公司治理評鑑重點解析</b></p> <p>3位參與者</p> <p>公司治理評鑑重點解析: NT\$699</p> <p>加入</p>	 <p><b>非屬歷史性財務資訊查核或核閱之確信案件 3堂課</b></p> <p>2位參與者</p> <p>非歷史性財訊查核之確信案件: NT\$699</p> <p>加入</p>	 <p><b>推動與實現綠色轉型 3堂課</b></p> <p>2位參與者</p> <p>推動與實現綠色轉型: NTS699</p> <p>加入</p>
 <p><b>全球淨零排放與ESG行動 3堂課</b></p> <p>4位參與者</p> <p>淨零排放影響與ESG行動: NT\$699</p> <p>加入</p>	 <p><b>企業倫理與企業永續發展 3堂課</b></p> <p>2位參與者</p> <p>企業倫理與企業永續發展: NT\$699</p> <p>加入</p>	 <p><b>國際永續揭露準則精華解析 3堂課</b></p> <p>9位參與者</p> <p>國際永續揭露準則精華解析: NT\$699</p> <p>加入</p>

# Join Hands to Prevent Pandemic and Maintain Health

At the beginning of 2020, COVID-19 began to spread around the world. To face the highly contagious virus, in addition to following the instructions of the Central Epidemic Command Center, the Foundation immediately launched a pandemic operation response plan and prepared relevant anti-pandemic materials to maintain the health of the employees and normal business operation.

## Pandemic Prevention Measures

### 1. Establish a Pandemic Prevention Working Group

- Preparation of anti-pandemic materials
- Information promotion and update

### 2. Self-Health Management

- Wash hands frequently, wear a mask, and take temperature
- Take turns coming into the office depending on the situation
- Maintain indoor ventilation and environmental hygiene
- Avoid visiting crowded places
- Follow the health management policies issued by the Central Epidemic Command Center

### 3. Notification and Attendance Management

- If a colleague is suspected or confirmed Covid-19, the Management Division will be notified immediately, and the Management Division will immediately notify the authority.
- Those who are required to be isolated for treatment due to infection, those who are not infected but have contact concerns, are recommended by the pandemic prevention unit to follow self-health monitoring procedures, and those with family members who need to be taken care of due to illness or are required to follow self-health monitoring procedures, will follow the Foundation's pandemic prevention attendance management regulations to apply for pandemic leaves.

In response to COVID-19 pandemic, the Foundation has compiled the “COVID-19 Pandemic Prevention Handbook” to assist employees to take precautions for pandemic prevention during self-management, courses, conferences and activities or seminars, so as to get through the pandemic together.

General notes for colleagues	Notes for courses conducted	Notes on handling meetings	Organizing events or seminars Precautions
<ul style="list-style-type: none"> <li>● Wear a mask at all times</li> <li>● Body temperature measurement and hand disinfection</li> <li>● Keep a social distance</li> <li>● Avoid going to crowded places</li> <li>● If you have fever and respiratory symptoms, immediate get medical care or take a rest at home</li> <li>● If you have contact with an infected case, take the initiative to inform your supervisor and apply for work from home</li> <li>● Strengthen disinfection for cleaning staff</li> </ul>	<ul style="list-style-type: none"> <li>● Course participants wear masks throughout the course</li> <li>● When entering the Foundation, you must take your temperature and disinfect your hands</li> <li>● Before each classroom is used, complete cleaning and disinfection, and open doors, windows and air holes to maintain air circulation</li> <li>● When using each classroom, turn on the independent air conditioner</li> <li>● Before the class starts, if you have fever and respiratory symptoms, please get medical care immediately, and do not participate in physical classes</li> <li>● Each course adopts the name-based system</li> <li>● The number of enrollments is set to be half of the original classroom capacity, and video lessons are used when necessary.</li> </ul>	<ul style="list-style-type: none"> <li>● All meeting staff should wear masks</li> <li>● When entering the Foundation, you must take your temperature and disinfect your hands</li> <li>● Before each meeting room is used, complete cleaning and disinfection, and open doors, windows and air holes to maintain air circulation</li> <li>● Announce before the meeting, if you have fever and respiratory symptoms, please get medical care immediately, and do not participate in physical meeting</li> <li>● Each meeting adopts the name-based system</li> <li>● At the meeting seat, try to keep a distance of more than 1 meter, and use video conference if necessary</li> </ul>	<ul style="list-style-type: none"> <li>● Announce before physical activities or seminars, if you have fever and respiratory symptoms, please get medical care immediately, and do not participate in physical activities or seminars</li> <li>● Try to keep a distance of more than 1 meter for the seats of physical activities or seminars</li> <li>● All activities or seminars adopt a name-based system, take temperature, disinfect hands, and wear masks throughout the process</li> </ul>

**Care**

- ◇ Give away masks and alcohol
- ◇ Order lunch and provide internet subsidy
- ◇ Pandemic prevention

**Work with a Peace of Mind**

- ◇ Anti-pandemic care leave
- ◇ Take turns coming into the office according to the situation
- ◇ Home office
- ◇ Video conference

In 2022, a total of 19 employees of the foundation were diagnosed, and all of the employees have recovered and get back to work.

# 1 Sustainable Organization

## 1-1 History and Overview

In early 1981, Minister Xu Li-de of the Ministry of Finance convened the National Federation of Certified Public Accountants of the Republic of China, the Taiwan Certified Public Accountants Association, and the Chairman of the Taipei Certified Public Accountants Association, which resolved to establish an accounting research and development foundation. At the end of 1983, the “Comprehensive Improvement of Accountant System Plan” meeting was held in the Ministry of Finance, and a nine-person fundraising team was established. In April 1984, the inaugural meeting of the “Accounting Research and Development Foundation of the Republic of China” took place. In May of the same year, it applied to the Taipei District Court of Taiwan for registration of juridical association as the “Accounting Research and Development Foundation of Republic of China”. In June of the same year, the Foundation received its certificate of registration as a juridical association and thus, the Foundation was officially established.

The Foundation has two operating sites, the headquarter is located in Xizhi District, New Taipei City, and the Chengde Office is located in Taipei City. And there are four committees, namely the Taiwan Financial Reporting Standards Committee, the Auditing Standards Committee, the Valuation Standards Committee and the eXtensible Business Reporting Language Committee; each committee has one chairperson, several committee members and consultants. All professional committees shall operate independently, free from the influence of any individual or group, and maintain absolute independence. The tasks of the four committees are as follows:

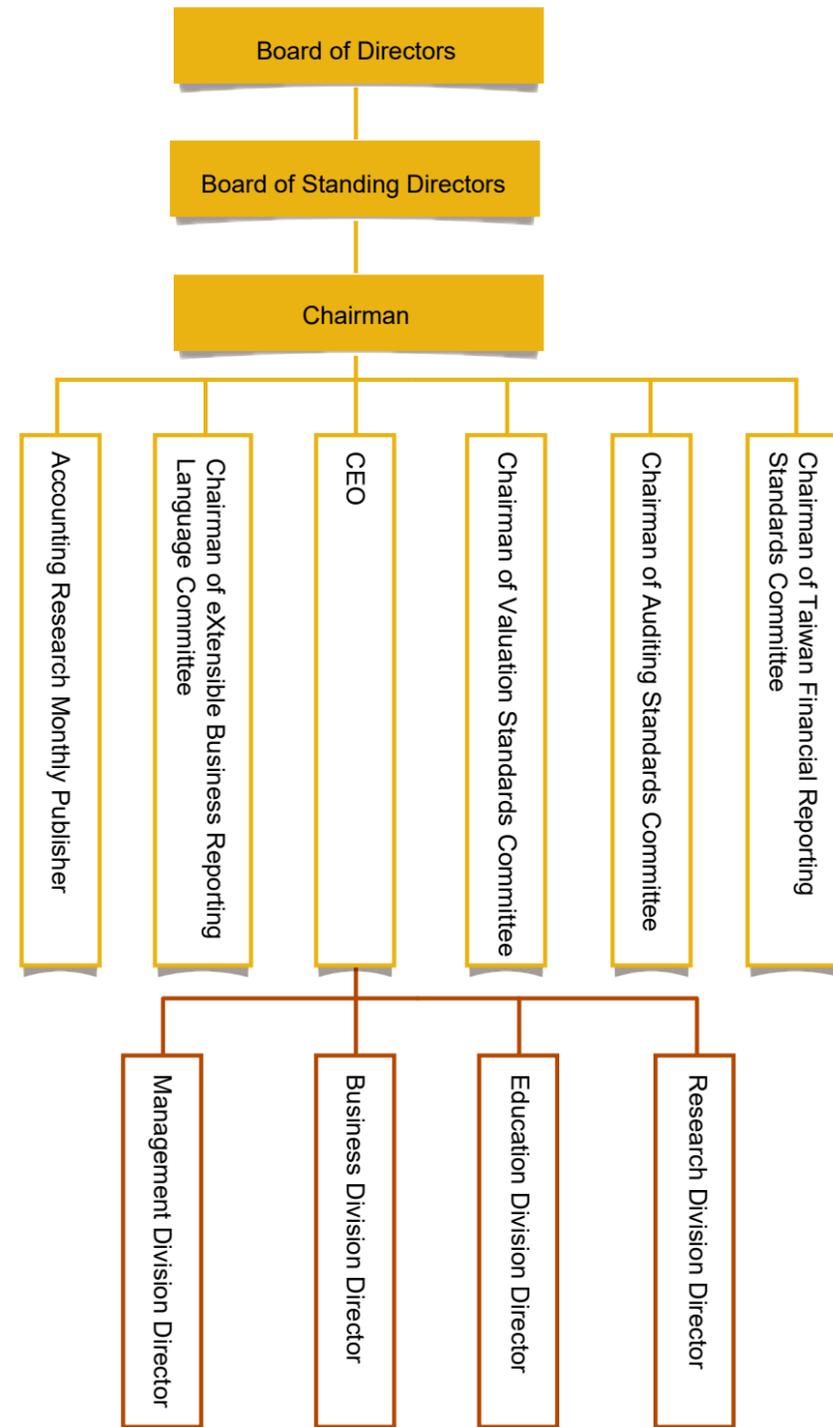
Committee	Mission
Taiwan Financial Reporting Standards Committee	Responsible for the translation review of international financial reporting standards, the formulation of financial accounting standards and related research and development
Auditing Standards Committee	Responsible for the formulation and revision of auditing and assurance related standards.
Valuation Standards Committee	Responsible for the formulation of evaluation criteria and related research and development.
eXtensible Business Reporting Language Committee	Responsible for the formulation and revision of XBRL classification standards and application promotion.

To promote the various businesses of the Foundation, there are four units, namely the Research Division, the Education Division, the Business Division, and the Management Division. Their tasks are described as follows:

Unit	Mission
Research Division	Responsible for the international financial reporting standards; financial accounting related standards; auditing and assurance related standards; evaluation related standards; sustainability related standards; research and development of XBRL taxonomy and other research and assigned matters
Education Division	Cooperate with the planning and implementation of government decrees and standard publicity courses; handle customized special training; hold promotional activities related to accounting education; undertake professional research and development related plans; trainee services and promotion, and other related business and assignments.
Business Division	Undertaker of professional research and development-related projects; holding various types of publicity activities and seminars; membership services and promotion; distribution of professional publications; publication and sales of professional books and other related business and assigned matters.
Management Division	Document processing, file management and information security management; cashier, accounting and financial related affairs; human resource management; property acquisition and related management; procurement, general affairs and general affairs related matters and other related business and assigned matters.



## 1-2 Organizational Chart



## 1-3 Business Philosophy

### Goals

- ◆ Leading the Professional Development of Accounting.
- ◆ Providing New Knowledge and Innovative Perspectives.
- ◆ Robust and Sustainable Operation.

### Visions

- ◆ Improve the transparency and quality of corporate information.
- ◆ Improve the Foundation for the long-term development of the securities market.

### Purposes

- ◆ Promote the continuous development of accounting, auditing and valuation standards. Assist industrial and commercial enterprises to improve their accounting systems. Promote the adoption of eXtensible Business Reporting Language (XBRL). Research and promotion of environmental, social and governance (ESG) issues. Cultivate outstanding professionals.

### Strategies

- ◆ Being sensitive and collect information about the latest international professional development to understand the potential issues affecting the global profession, and integrate resources from the industry, government, and academia to evaluate the impact of the issues and actively participate in the setting of international standards.
- ◆ Cooperate with industry, government, and academia to produce high-quality professional services and products that meet practical needs.
- ◆ Through practical research and forward-looking perspectives on key topics, the Foundation's professional capabilities are enhanced to meet the needs of the corporates, accountants, and competent authorities, and to lead the accounting development trend.
- ◆ Identify and invest in relevant professional research, align with policy direction, develop practical and innovative topics to meet the professional needs of stakeholders.
- ◆ Promote the Foundation's professional materials and knowledge to meet user needs through diversified channels and for different customer groups.
- ◆ Cooperate with relevant professional institutions and groups to hold relevant professional courses and events to enhance the professional development of stakeholders.
- ◆ Maintain an effective management mechanism and operating model to support real-time leading practice, leadership in innovative thinking, and the development of services and products.
- ◆ Focus on internal controls and performance evaluation in other to improve financial performance.
- ◆ Increase income by undertaking projects, holding courses, and raising funds to support R&D (Research and Development) and public welfare activities.



resource: Taiwan SEC

## 1-4 Sustainability Vision and Action

According to 《Our Common Future》 published by the World Commission on Environment and Development (WCED) at the United Nations General Assembly in 1987, sustainable development is defined as "meets the needs of current generations without compromising the ability of future generations to meet their own needs".

As the only accounting, auditing and valuation professional standard setter in Taiwan, the sustainable development goal of the Foundation is to help build a healthy financial reporting system for enterprises and promote the sustainable development of the capital market. through research and development of professional standards and cultivate sustainable talents needed for society by providing professional knowledge and innovative perspective. This is accomplished by maintaining an effective management mechanism and operational model, dedicated to environmental, social, governance and climate-related research and initiatives, and become a promoter and practitioner of the concept of sustainable development.

We practice our sustainable development goal through research, education and organizational governance operations.

## Governance

The Foundation formed a Sustainability Report Review Task Force, to guide the sustainable development policies and actions of the Foundation to enhance the effectiveness of the sustainable development of the Foundation. Sustainability Report Review Task Force is convened by the chairperson and is composed of three standing directors and a consultant. Board meetings are held at least twice a year. During the meeting, the Directors of the four divisions report the achievements of sustainable development and the content of the sustainability report. To comply with the policies of regulatory authorities and continuously promote the disclosure of entity's sustainability reports, as well as to enhance the quality of information disclosure, the Foundation intend to establish a Sustainability Disclosure Standards Committee to conduct research, development, and promotion of sustainability-related standards. To set up the Sustainability Disclosure Standards Committee, the Chairperson has called for the formation of a project preparation committee to carry out various preparations and planning for the Sustainability Disclosure Standards Committee.

In terms of research, in line with the "Corporate Governance 3.0-Sustainable Development Roadmap" issued by the Financial Supervisory Commission, the Foundation have completed TCFD disclosure examples for the food, chemical, banking, and insurance industries for reference by the public, and translated the 77 industry standards issued by the Sustainability Accounting Standards Board (SASB) into traditional Chinese version for preliminary research. In addition, the Foundation have translated the exposure drafts of IFRS Sustainability Disclosure Standards General Requirements for Disclosure of Sustainability-related Financial Information (S1) and IFRS Sustainability Disclosure Standards Climate-related Disclosures (S2) issued by International Sustainability Standards Board (ISSB) into traditional Chinese.

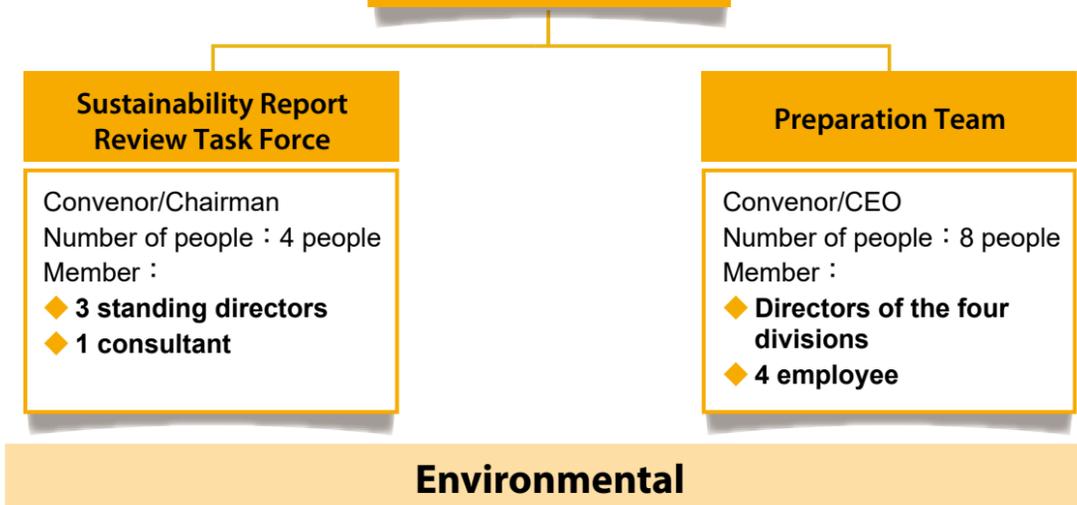
In terms of education, the Foundation provides sustainable development knowledge to meet the needs of different customer groups through courses, activities and seminars. This year's course also incorporates diverse sustainable education concepts, including analyzing the positive impact of ESG on enterprises, using ESG to enhance corporate strategic capabilities, ESG sustainable finance trends and responding strategies, climate-related financial disclosure, and creating new low-carbon green value paradigm. The Foundation also plans various seminars with ESG as the main axis, to enhance the course participants' sustainable knowledge.

In terms of organizational governance operations, in line with the concept of sustainable operation and management mechanism, we prudently integrate and make good use of every resource to support various Foundation affairs. proactively to the United Nations' Sustainable Development Goals, the Foundation is Proactively involved in the following affairs:

1. Prepares pandemic prevention supplies to reduce the risk of infection that threatens health.
2. Delivers knowledge, and innovative perspectives and organizes high-quality professional courses.
3. Focus on the fair right of work to every employee.
4. Develops new sources of income and minimizes expenditures as much as possible.
5. Assists stakeholders in enhancing their value and employment opportunities.
6. Actively participates in activities and expands cooperation networks domestically and internationally to enhance the Foundation's professional image and value.



## Board of Directors



### Environmental

Facing the increasingly serious problems of global warming and climate change, people's environmental awareness of energy-saving and carbon reduction is rising day by day. The Foundation actively promotes energy-saving and carbon reduction, and replaces energy-saving equipment to reduce carbon dioxide emissions. At the same time, we use automatic sensing and control equipment, and combine technology to assist in energy consumption control, hoping to contribute to the environmental agenda.

ESG practices and sustainability reporting disclosure have become important global issues. In June 2022, The Foundation held the "2022 ESG Summit: Environment, Social, and Governance" to actively create a new ecosystem for the triple win of ESG.

### Social

One of the specific promotional actions of the "Corporate Governance 3.0-Sustainable Development Roadmap" issued by the Financial Supervisory Commission is to strengthen the ESG information disclosure of listed firms, including referring to the international standards, such as the "Task Force on Climate-related Financial Disclosures (TCFD)" and "Sustainability Accounting Standards Board (SASB)", to strengthen sustainability report disclosures. In the future, listed firms will be required to disclose TCFD-related information, so that climate risks can be linked to corporate governance and to improve the transparency of corporate information, and referring to SASB's specifications to require listed firms to disclose ESG-related information that is financially materiality and useful for investors' decision-making according to industry sectors.

In line with the Financial Supervisory Commission policy, the Foundation was commissioned by the Taiwan Stock Exchange and the Taipei Exchange to develop disclosure templates based on the "Recommendations of the Task Force on Climate-related Financial Disclosures" proposed by TCFD for the food, chemical, banking, and insurance industries. These templates have been issued on the Corporate Governance Center website of the Taiwan Stock Exchange to help enterprises properly and fully disclose climate-related financial disclosure information when preparing their sustainability reports in 2023. In addition, in December 2022, the Foundation held "TCFD-enhanced Sustainability Report Disclosure Advocacy Meetings for Corporations" separately for financial and non-financial industries. By organizing this event, we aim to promote the correct concepts and practices for disclosing climate-related information, improve the quality of such disclosures, and encourage listed firms to implement corporate governance related to climate risks and opportunities

Since 2020, the Foundation has become a member of the Sustainability Accounting Standards Board (SASB), proactively interacting with SASB and participating in various SASB activities. The Chairperson, Dr. Doris Yi-Hsin Wang, led a delegation to visit SASB in July 2022 to exchange views. This visit allowed the international organization to gain a better understanding of our government's emphasis on the standards related to business sustainability information disclosure in our country.

## 1-5 Stakeholder Communication

According to the definition of the units and individuals that directly or indirectly affect or are affected by the Foundation, the Foundation defines seven categories of stakeholders, understands the issues they are concerned about, and establishes a perfect communication channel to facilitate two-way communication and feedback. This promotes the improvement of the quality of the Foundation.

Key Stakeholders	Significance and Importance to the Foundation	Material Topics C	Communication Channel	Frequency	The Foundation's Response	Related Indicators
Members of the Accounting Research Center	The Accounting Research Center integrates resources of the Foundation to provide a comprehensive array of professional service for its members. These services include advertisement on the Accounting Research Monthly, consultation on professional standards, hard copy of standards issued as well as access to online database, Accounting Research Monthly and on-line library, e-newsletter, free lectures, and etc. It is particularly important for the Foundation to understand the members' needs to provide services of high quality.	<ul style="list-style-type: none"> <li>3 Promotion of professional standards</li> <li>1 Standards/ Quality of products/services</li> <li>2 Professional influence and leadership</li> <li>5 Organizational governance and legal compliance</li> <li>6 Education for Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>· Telephone consultation</li> <li>· Service mailbox</li> <li>· Events or seminars</li> <li>· Social media official account</li> </ul>	<ul style="list-style-type: none"> <li>· real time</li> <li>· real time</li> <li>· ad-hoc</li> <li>· real time</li> </ul>	Establish a multidirectional communication channel, and provide the latest professional and practical information of the members of the Accounting Research Center in a timely manner, maintain an effective management and logistics mechanism.	The number of times new information provided ; The number of seminars held in collaboration with relevant professional organizations ; The number of seminars or forums on emerging issues held and the number of new courses held ; Event satisfaction rate ; Course satisfaction rate.
Courses Participants	The Foundation promotes continuous learning by providing an array of courses in accounting and other areas to fulfill the participants' needs of pursuing further education.	<ul style="list-style-type: none"> <li>8 Information security and personal data protection</li> <li>4 Stakeholder engagement and responsiveness</li> </ul>	<ul style="list-style-type: none"> <li>· Opinion survey</li> <li>· Website</li> <li>· Telephone consultation</li> <li>· Service mailbox</li> <li>· Social media official account</li> </ul>	<ul style="list-style-type: none"> <li>· After class</li> <li>· real time</li> <li>· real time</li> <li>· real time</li> </ul>	Continue to provide professional knowledge that keeps pace with the times, and strengthen information security and personal information protection to meet the needs of students.	The number of seminars or forums on emerging issues held and the number of new courses held ; The number of education courses held ; The number of participants attending the Foundation's professional conferences, courses, and events ; course satisfaction rate

Key Stakeholders	Significance and Importance to the Foundation	Material Topics C	Communication Channel	Frequency	The Foundation's Response	Related Indicators
Enterprises/ Foundations	Entities are required to prepare financial statements with high quality and consistently applying the right standards. Therefore, the accounting standards issued by the Foundation are especially important to enterprises. In addition, the Foundation shall understand the dynamics of enterprises and Foundations and take their comments into consideration.	<ul style="list-style-type: none"> <li>3 Promotion of professional standards</li> <li>1 Standards/ Quality of products/services</li> <li>6 Education for Sustainable Development</li> <li>4 Stakeholder engagement and responsiveness</li> <li>2 Professional influence and leadership</li> </ul>	<ul style="list-style-type: none"> <li>· Telephone consultation</li> <li>· Service mailbox</li> <li>· Events or seminars</li> <li>· Social media official account</li> </ul>	<ul style="list-style-type: none"> <li>· real time</li> <li>· real time</li> <li>· ad-hoc</li> <li>· real time</li> </ul>	Through undertaking projects and courses, we actively demonstrate our professional influence and leadership in enterprises/ public associations to gain recognition from the outside.	The number of reporting and discussion held on current and emerging issues ; The number of seminars held in collaboration with relevant professional organizations ; The number of seminars held or forums on emerging issues held and the number of new courses held ; Event satisfaction rate ; Course satisfaction ; The number of standards issued ; The number of Q&As and interpretations issued.
CPA Foundation/ CPA firms	Accountants are required to issue auditor's reports with high quality and consistently applying the right standards. Therefore, the standards issued by the Foundation are especially important to accountants. Given this, the Foundation shall understand the views of the accountants and take their comments into consideration.	<ul style="list-style-type: none"> <li>1 Standards/ Quality of products/services</li> <li>2 Professional influence and leadership</li> <li>3 Promotion of professional standards</li> <li>4 Stakeholder engagement and responsiveness</li> <li>7 international interaction</li> <li>6 Education for Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>· Telephone consultation</li> <li>· Service mailbox</li> <li>· Events or seminars</li> </ul>	<ul style="list-style-type: none"> <li>· real time</li> <li>· real time</li> <li>· ad-hoc</li> </ul>	Actively contact and cooperate with CPA/ accounting firms to lead the development of accounting and auditing practice.	The number of standards issued ; The number of reporting and discussion held on current and emerging issues ; The number of times new information provided ; The number of times that members from the Board of Directors and professional committees participated in domestic.

Key Stakeholders	Significance and Importance to the Foundation	Material Topics C	Communication Channel	Frequency	The Foundation's Response	Related Indicators
Competent Authorities	The competent authorities (including the Financial Supervisory Commission, Ministry of Finance, and Ministry of Economic Affairs) are highly relevant to the operation and business of the Foundation. The competent authorities' opinions are particularly important to the Foundation.	<ul style="list-style-type: none"> <li>1 Standards/ Quality of products/services</li> <li>4 Stakeholder engagement and responsiveness</li> <li>7 International interaction</li> <li>2 Professional influence and leadership</li> <li>3 Promotion of professional standards</li> </ul>	<ul style="list-style-type: none"> <li>· Meeting</li> <li>· Correspondence</li> </ul>	<ul style="list-style-type: none"> <li>· ad-hoc</li> <li>· ad-hoc</li> </ul>	Cooperate with the policies of the competent authorities to produce high-quality professional guidelines and organize publicity activities.	The number of standards issued ; The number of Q&As and interpretations issued ; The number of professional dialogues and commentaries held on issues related to -financial accounting, auditing, valuation, and eXtensible Business Reporting Language (XBRL) ; The completion percentage of standards and project within deadline.
Universities and Colleges	Professors and students of accounting-related departments are the Foundation's key target audiences for the promotion of professional standards.	<ul style="list-style-type: none"> <li>1 Standards/ Quality of products/services</li> <li>5 Organizational governance and legal compliance</li> <li>2 Professional influence and leadership</li> <li>3 Promotion of professional standards</li> </ul>	<ul style="list-style-type: none"> <li>· Meeting</li> <li>· Correspondence</li> <li>· Events or seminars</li> </ul>	<ul style="list-style-type: none"> <li>· ad-hoc</li> <li>· ad-hoc</li> <li>· ad-hoc</li> </ul>	Committed to campus cultivation, strengthening the organization and governance of the Foundation and strengthening information security.	The number of standards issued ; The number of Q&As and interpretations issued ; The number of professional dialogues and commentaries held on issues related to -nancial accounting, auditing, valuation, and eXtensible Business Reporting Language (XBRL) ; Relevant Professional Knowledge Study; Event Satisfaction; Course Satisfaction
The Foundation's Employees	Our employees play important roles in achieving the missions, targets, and strategies of the Foundation.	<ul style="list-style-type: none"> <li>1 Standards/ Quality of products/services</li> <li>3 Promotion of professional standards</li> <li>2 Professional influence and leadership</li> </ul>	<ul style="list-style-type: none"> <li>· Events or seminars</li> <li>· Staff education and training</li> <li>· Service mailbox</li> </ul>	<ul style="list-style-type: none"> <li>· ad-hoc</li> <li>· ad-hoc</li> <li>· real time</li> </ul>	Continue to carry out staff education and training, improve staff quality and service capacity, so as to enable the stable and sustainable operation of the Foundation.	Employee education and training hours; The number of visits to the Foundation's website; Fund balance and income/ loss balance; Event satisfaction; Course satisfaction .

Note:

Purple blue rows are related to "Goal 1: Environmental -Leading the Professional Development of Accounting"

Orange rows are related to "Goal 2: Social -Providing New Knowledge and Innovative Perspectives"

Pink rows are related to "Goal 3: Governance -Robust and Sustainable Operation"

## Our Email, Facebook and LINE Official Accounts

The Foundation has set up an email for external communication and published it on the Foundation's website for stakeholders to give feedback and suggestions.

According to statistics in 2022, the email box has received 89 external letters.

The Foundation has been operating Facebook and YouTube channel since 2014 to publicize event information and strengthen interaction with the outside. By the end of 2022, the number of facebook followers reached 9,174. In 2022, the number of views of the YouTube channel of the Foundation was 197,448.

The Foundation has operated the LINE official account of the Accounting Research and Development Foundation since 2018. In addition to regularly sending important news and event messages, it responds to user needs or provides services at any time, and the response is good. By the end of 2022, the number of LINE account friends has reached 3,491.

## 1-6 Identify Material Issues and Boundaries

In order to understand the attitudes of stakeholders towards various development issues of the Foundation and openly respond accordingly, the preparation team follows the New GRI Standards (2021) guidelines, identifies major issues and confirms the boundaries based on statistical results.

### 1. Identify Sustainability Topics

Based on the organizations or individuals that directly or indirectly affect or are affected by the Foundation, after identifying seven categories of stakeholders, in order to understand the attitudes of stakeholders towards the various development issues of the Foundation, the preparation team selected the three major goals of the Foundation 12 issues.

### 2. Analysis and Evaluation

At the end of 2022, a questionnaire on major issues was issued to the stakeholders of the Foundation, and a total of 18 valid questionnaires were returned; In addition, various issue surveys were conducted on the employees of the Foundation, and 4 valid questionnaires were returned. By means of questionnaires, the stakeholders consider the issues that should be important to the Foundation.

### 3. Confirm and Respond

Based on the results of the questionnaire, the preparation team identified 6 major issues, and according to the guidelines of the new version of GRI Standards (2021), disclosed the information through this report and the website of the Foundation.

## Result of the Survey

The material topics	2022 Ranking	2021 Ranking	Variance
Standards/ Quality of Products/Services	1	3	↑
Professional Influence and Leadership	2	2	—
Promotion of Professional Standards	3	1	↓
Stakeholder Engagement and Responsiveness	4	9	↑
Organizational Governance and Legal Compliance	5	5	—
Education for Sustainable Development	6	10	↑
International Interaction	7	8	↑
Information Security and Personal Data Protection	8	4	↓
Financial Health	9	6	↓
Employee Training and Rights Protection	10	7	↓
Participation in Community Services	11	12	↑
Gender Equality and Human Rights	12	11	↓

Note:

Purple blue rows are related to "Goal 1: Environmental -Leading the Professional Development of Accounting"

Orange rows are related to "Goal 2: Social -Providing New Knowledge and Innovative Perspectives"

Pink rows are related to "Goal 3: Governance -Robust and Sustainable Operation"

This report will focus on major issues of concern to stakeholders; the overall results of this year's survey are basically similar to the last year's, except that the rankings of " Stakeholder Engagement and Responsiveness" and "Education for Sustainable Development" jumped by several points. It seems that stakeholders pay more attention on these topics.

### Material Topics Boundary

Goals	The material Topics	The Foundation's Employees	Members of Accounting Research Center	Courses Participants	Enterprises/ Foundations/ CPA firms	Foundation/ Competent Authorities	Universities and Colleges	Corresponding GRI Indicators	Corresponding Chapter
Environmental - Leading the Professional Development of Accounting	Standards/ Quality of products/ services	V	V		V	V	V	GRI 3-3 Management of material topics	3-1 Quality and Quantity of Research 3-2 Quality and Innovation
	Professional influence and leadership	V	V		V	V	V	GRI 3-3 Management of material topics	3 Research and Promotion
	Stakeholder engagement and responsiveness			V		V		GRI 2-25 Processes to remediate negative impacts	5-1 Talent recruitment and retention
Social - Providing New Knowledge and Innovative Perspectives	Promotion of professional standards	V	V		V	V	V	GRI 3-3 Management of material topics	3-5 Promotional Achievement
	Education for Sustainable Development		V		V			SASB SV-ED-260a.1 Graduation Rate	3-4 Course Effectiveness
Governance - Robust and Sustainable Operation	Organizational governance and legal compliance		V				V	GRI 2-9 Governance structure and composition	2-1 Organization Governance

### 1-7 Link to the UN Sustainable Development Goals

According to the goals under the business philosophy, the Foundation developed our mid- and long-term strategies to implement the United Nations Sustainable Development Goals and connect with the material issues identified this year.

Goal	Environmental - Leading the Professional Development of Accounting	Social - Providing New Knowledge and Innovative Perspectives	Governance - Robust and Sustainable Operation
Corresponding to SDGs	④ QUALITY EDUCATION ⑰ PARTNERSHIPS FOR THE GOALS	④ QUALITY EDUCATION ⑧ DECENT WORK AND ECONOMIC GROWTH ⑰ PARTNERSHIPS FOR THE GOALS	③ GOOD HEALTH AND WELLBEING ④ QUALITY EDUCATION ⑤ GENDER EQUALITY ⑦ AFFORDABLE AND CLEAN ENERGY
Responding to Material Issues	Standards/ Quality of products/services Professional Influence and Leadership Stakeholder Engagement and Responsiveness International Interaction	Promotion of Professional Standards Education for Sustainable Development Participation in Community Services Gender Equality and Human Rights	Organizational Governance and Legal compliance Information Security and Personal Data Protection Financial Health Employee Training and Rights Protection
Strategies	<ol style="list-style-type: none"> <li>Being sensitive to and collect information about the latest international professional development to understand the potential issues affecting the global profession, and integrate resources from the industry, government, and academia to evaluate the impact of the issues and actively participate in the setting of international standards.</li> <li>Cooperate with industry, government, and academia to produce high-quality professional services and products that meet stakeholders needs.</li> <li>Through practical research and forward-looking perspectives on key topics, the Foundation's professional capabilities are enhanced to meet the needs of the corporates, accountants, and competent authorities, and to lead the accounting development trend.</li> </ol>	<ol style="list-style-type: none"> <li>Identify and invest in relevant professional research, align with policy direction, develop practical and innovative topics to meet the professional needs of stakeholders.</li> <li>Promote the Foundation's professional materials and knowledge to meet user needs through diversified channels and for different customer groups.</li> <li>Cooperate with relevant professional institutions and groups to hold relevant professional courses and events to enhance the professional development of stakeholders.</li> </ol>	<ol style="list-style-type: none"> <li>Maintain an effective management mechanism and operating model to support real-time leading practice, leadership in innovative thinking, and the development of services and products.</li> <li>Attach importance to internal control and performance evaluation to enhance financial benefits</li> <li>Increase income by undertaking projects, holding courses, and raising funds to support R&amp;D and public welfare activities.</li> </ol>

# 2 Organizational Governance and Operations

## 2-1 Organization Governance

The organization and operation of the Foundation are managed in accordance with the "Foundations Act".

### Board of Directors

There are 25 directors on the Board, including 13 standing directors. The chairperson represents the Foundation in the Board.

The Board of Directors consists of representatives from academics, regulatory agencies, and practitioners. Academic representatives include accounting professors from reputable colleges and universities; regulatory representatives from the Financial Supervisory Commission, the Securities and Futures Bureau of Financial Supervisory Commission, the Taxation Administration of Ministry of Finance, the Department of Commerce of Ministry of Economic Affairs, the Directorate-General of Budget, the Accounting and Statistics (DGBAS) of Executive Yuan, the National Audit Office, the Taiwan Stock Exchange Corporation, and the Taipei Exchange (TPEX, or GreTai Securities Markets); and practitioners include representatives from the National Federation of Certified Public Accountant Association of the R.O.C., the Bankers Association of the Republic of China, the Taiwan Securities Association, and the Chinese National Foundation of Industry and Commerce.

Our first term of Board of Directors were elected and appointed by donors. The Board of Directors after the second term were elected and appointed by the previous Board of Directors before the term of the previous Board of Directors expires. The term for Board of Directors is three years, and they can be reappointed upon expiration. A chairperson is appointed to represent the Foundation externally, and a chief executive officer shall be appointed to conduct the resolutions of the Board of Directors and supervise all administrative affairs of the Foundation under the order of the chairperson.

### Responsibilities of the Board of Directors and the Board of Standing Directors

The Board of Standing Directors reviews each division's performance regularly, and discusses material issues promptly to cope with the ever-changing business environment.

The Board of Directors meets at least quarterly to review whether various businesses are being implemented on schedule, and to guide development goals and strategic planning. The board of directors approves the business plan and financial budget for the following year at the end of each year, and approves the financial statements of the previous year at the beginning of the following year. Matters decided by the board of directors include:

1. The raising, custody and utilization of the fund.
2. Approval of the annual plan.
3. Review of budget and final accounts.
4. Formulation of important regulations.
5. Appointment and removal of important personnel.
6. Supervision and guidance for the implementation of the plan.
7. Other important matters.

## 2-2 Risk Management and Internal Control

Through SWOT analysis, the Foundation comprehensively understands the Strengths, Weaknesses, Opportunities, and Threats as the basis for the overall consideration of development plan and development of the direction of the developments of the affairs. Among them, the internal strength and weaknesses are analyzed based on the Foundation's history, human quality, financial resources, and cooperation with stakeholders of the Foundation. The external opportunity and threats are analyzed based on the social and international trends, technological developments, and competitor actions.

S	<ul style="list-style-type: none"> <li>• The only accounting professional standard setter in Taiwan.</li> <li>• Actively cooperates with experts from the academics, regulatory agencies and practitioners, full of professional ability.</li> <li>• Closely communicates with international professional organization.</li> </ul>	Strength
W	<ul style="list-style-type: none"> <li>• Research funding and human resources are still insufficient.</li> <li>• Capacity of information technology needs to be strengthened.</li> </ul>	Weakness
O	<ul style="list-style-type: none"> <li>• Conduct in-depth research on emerging professional topics and hold new courses.</li> <li>• Using technology to develop, disseminate the latest professional knowledge in a diversified way.</li> <li>• In response to the trend of internationalization, leading the accounting proficiency development in Taiwan.</li> </ul>	Opportunity
T	<ul style="list-style-type: none"> <li>• Variety innovative training courses provided by external competitors.</li> <li>• Budgets from government gradually decreases.</li> </ul>	Threat

## Risk Management

In response to the risks brought about by trends such as environmental changes, information technology development, and market competition, the Foundation based on the three overall level objective "Leading the Professional Development of Accounting", "Providing New Knowledge and Innovative Perspectives", "Robust and Sustainable Operation" and strategic objective of the related operation level to identify risk items that may lead to failure to achieve the aforementioned goals to control the relevant risks that may affect the sustainable development of the Foundation. Assess the possibility and degree of impact of those risks, and determine and implement measures to respond to risks through relevant management strategies and countermeasures such as risk transfer, reduction and avoidance.

The risk management of the Foundation is divided into the responsibility of the relevant units according to the nature of the business, and is regularly reported to the Board of Directors. Feedback of key performance indicators are used to monitor risks and adjust relevant measures accordingly.



## Internal Control System

To implement internal control and to promote the three objectives of the operation, reporting, and compliance from top to bottom, all units are urged to hold internal control activities in a rolling manner and incorporate new or revised items into the internal control system. Based on the results of risk assessment and the business materiality evaluation, the Foundation selected relevant business items to be included in the control activities and set out 19 related activities for finance, personnel, procurement, information, intellectual property management, asset management, etc.

## 2022 Risk (Negative Impacts) Identification and Analysis

Dimension	Risk Item	The action taken	Corresponding Chapter
Environmental	① The impacts of the COVID-19 pandemic interrupt the development of our business.	1. Procurement of pandemic prevention materials. 2. Organize meetings, courses, and events via video. 3. Take turns to the office.	Join hands to prevent pandemic and maintain health.
	② Difficulty to interact well with international professional standard-setters.	Actively participate in international conferences and professional activities.	5-3 International Interaction
	③ Professional standards, educational courses, and promotions have not kept pace with the latest international professional standards changes and market demands.	1. Hold employee education and training. 2. Keep abreast of the development of international professional standards and introduce the latest issues into domestic discussions. 3. The Board of Directors actively supervises and monitors the work progress of each committee.	3-1 Quality and Quantity of Research
Social	④ Inability to effectively disseminate new knowledge and new ideas.	Supervise employees to understand the development of new technologies and new media, and actively learn relevant knowledge.	3-5 Promotional Achievement
	⑤ Not adopting innovative and flexible teaching or promotion methods, results in a lack of appeal to target groups.	Develop diversified teaching and promotion methods.	3-5 Promotional Achievement
	⑥ Failure to meet the professional needs of the target groups for the publications and services of the Foundation.	Understand the needs of professionals in order to develop courses, events, and publications that meet professional needs.	3-5 Promotional Achievement
	⑦ Talent loss.	Attract and retain talent	5-1 Talent recruitment and retention
Governance	⑧ Risk of non-compliance with regulations.	Strengthen organizational management and organize education and training to publicize the latest laws and regulations.	4-2 Environmental Sustainability Management
	⑨ Information and internet security energy is insufficient to provide a stable operating environment.	Develop internal regulations and related mechanisms for information security, and educate employees on information security-related issues in real time.	4-2 Environmental Sustainability Management

## 2-3 ESG performance summary

Goals	Key Performance Indicators	Criteria	2021	2022
Environmental - Leading the Professional Development of Accounting	1. The number of professional dialogues and commentaries held on issues related to financial accounting, auditing, valuation, and eXtensible Business Reporting Language (XBRL)	The number of publications of articles on accounting, auditing, valuation, and XBRL-related topics in the accounting research monthly magazine of the year, and the number of exchange activities held with various stakeholders on financial accounting, auditing, valuation, and XBRL-related topics	68	51
	2. The number of reporting and discussion held on current and emerging issues	The number of publications of articles on accounting, auditing, valuation and XBRL related topics in the accounting research monthly magazine of the current year	195	180
	3. The number of seminars or forums on emerging issues held and the number of new courses held	The number of symposiums or seminars organized by oneself in line with the trend in the current year and the total number of new courses opened	351	328
	4. The number of standards issued	The number of IFRS new standards or amendments reviewed and provided to the Financial Supervision Commission in 2021, plus the number of new auditing, valuation, and enterprise accounting standards or amendments issued during the current year's review	70	107
	5. The number of Q&As and interpretations issued	The number of IFRS and Accounting Standards for Business Bulletin Questions and Answers issued in the current year, as well as the number of interpretation letters for the auditing and valuation standards bulletin	10	14
	6. The number of external feedbacks received on proposed standards	The number of external feedbacks on drafts issued by the professional committees and project groups of the Foundation in the current year and the number of feedbacks issued by the international professional organizations of the Foundation	139	250
	7. The number of times that members from the Board of Directors and professional committees participated in domestic and international events	The number of times that our directors, committee members and consultants participate in domestic and foreign events organized by our Foundation	207	97
	8. Employee education and training hours	The number of hours for all employees to participate in relevant professional courses held by this Foundation or other units	2,077	727
	9. The number of times teaching videos released in the current year	The number of teaching videos released in the current year	8	7

Goals	Key Performance Indicators	Criteria	2021	2022
Social - Providing New Knowledge and Innovative Perspectives	1. The number of times new information provided	The number of publications of articles on accounting, auditing, valuation and XBRL related topics in the accounting research monthly magazine of the current year	377	327
	2. The number of participants attending the Foundation's professional conferences, courses, and events	The number of participants attending the Foundation's professional conferences, courses, and events in the current year	40,284	57,164
	3. The number of electronic course certificates issued	The number of e-certificates issued to the students who participated in courses conducted in the current year	11,664	11,529
	4. The number of updates to the Foundation's social media and websites	The number of updates on FB fan page, LINE@, YouTube channel, and monthly magazine page	366	375
	5. The number of visits to the Foundation's website	The number of visits to our official website and shopping cart	1,573,953	1,366,990
	6. The number of visits to the Foundation's social media sites	The number of visits on FB fan pages and LINE@ fan followers plus the total number of views to the all videos on the YouTube channel as of the end of the year	1,810,118	2,028,879
	7. The number of viewers on digital video courses	The total number of visits to our FB fan page and YouTube channel related digital video and audio promotion in the year and the total number of participants in our digital courses	8,266	5,712
	8. The number of seminars held in collaboration with relevant professional organizations	The number of seminars on financial accounting, auditing, valuation, and eXtensible Corporate Reporting Language (XBRL) organized in collaboration with relevant professional organizations in the year	24	20
	9. The number of education courses held	The number of courses held during the year	342	302

Goals	Key Performance Indicators	Criteria	2021	2022
Governance - Robust and Sustainable Operation	1. The completion percentage of standards within deadline	Percentage of completion according to the scheduled progress of the business plan	100%	100%
	2. Staff turnover	Then of employees leaving the current year/Number of employees at the end of the year	6%	43%
	3. Employee education and training hours	The number of hours for all employees to participate in relevant professional courses held by this Foundation or other units	2,077	727
	4. The number of times teaching videos released in the current year	The number of teaching videos released in the current year	8	7
	5. Event satisfaction rate	Average satisfaction of activities held in the current year (full score of 5)	4.86	4.80
	6. Course satisfaction rate	Average satisfaction of courses held in the current year (full score of 5)	4.58	4.62
	7. Fund balance and income/loss balance (NT\$ thousands)	Data based on accounting information	344,975	370,983
	8. Revenue generated from research projects (NT\$ thousands)	Data based on accounting information	17,587	18,037
	9. Revenue generated from educational/promotional contracts signed (NT\$ thousands)	Data based on accounting information	8,106	8,707
	10. Current net surplus	Data based on accounting information	21,624	25,808

## 2-4 Business Procurement and Supply Chain Management

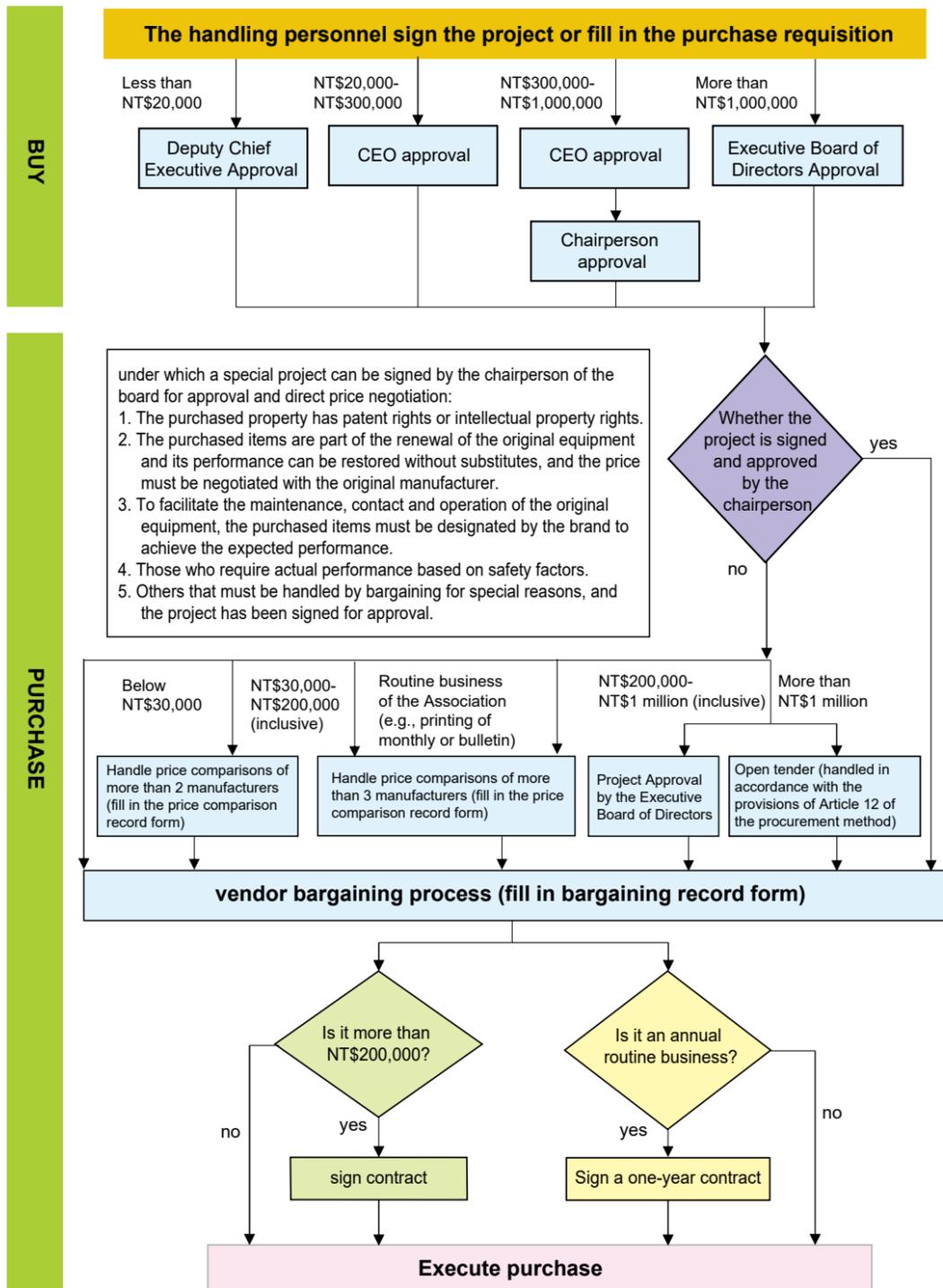
To meet the business needs of the Foundation and the effective management of procurement operations, the procurement methods are formulated to appropriately select and manage the supply chain vendors of the Foundation. This year, there were 5 purchases between 200,000 and 1,000,000 NT\$, and 7 purchases over NT\$ 1 million due to that the Foundation purchased Xizhi's office purchases, including house purchases, decorations, and office equipment purchases, as well as purchases in association with "2022 ESG Summit". In addition to ordering reference databases from foreign professional organizations, the remaining purchases of the Foundation was 100% from domestic manufacturers.

### Statistics on vendors in purchasing business transactions in the past three years

Unit : Case

Year	Property	Engineering	Labor service
2020	5 (55.56%)	2 (22.22%)	2 (22.22%)
2021	5 (45.45%)	4 (36.36%)	2 (18.18%)
2022	4 (33.33%)	5 (41.67%)	3 (25.00%)

### Purchasing Flow Chart (based on the procurement procedures of the Foundation)



## 3 Research and Promotion

### 3-1 Quality and Quantity of Research

#### Rigorous Reviewing Procedures to Ensure the Quality of the Standards

In terms of specific actions, to ensure the quality of the professional standards issued and in line with the public interest, the Foundation has established a rigorous reviewing process for the issuing of various professional standards. Each professional committee sets up a task force to review the first draft of each standard article by article and then complete the first draft of the draft. After the committee has completed its deliberation, the draft standards are published on the website of the Foundation, and letters are sent to industry associations, academic institutions, Taiwan Certified Public Accountants Association, and relevant government agencies in the name of the committee so that to fully inquire the opinions from stakeholders. After the consultation is over, the committee will hold a meeting to discuss the opinions provided by the outside, evaluate whether to revise the relevant provisions and make a final decision on the standard and the response to the external opinions. After the publication of the standards, the opinions from the outside and the response from the Foundation will be published on the website of the Foundation.

To continuously improve the participation of committee members, consultants of various professional boards and the efficiency of committee deliberations, the Foundation conducts a self-evaluation of committee members and consultants every year. The self-evaluation focuses on their awareness of their responsibilities and their level of participation in the committee's activities. The Foundation will analysis on the self-evaluation results and the attendance status of the year as a reference for subsequent appointments.

Each professional committee schedules the progress according to the annual work target and holds regular meetings every year. In 2022, the Taiwan Financial Reporting Standards Committee, the Auditing and Assurance Standards Committee, the Valuation Standards Committee, and Taiwan Enterprise Accounting Standards Committee held a total of 173 meetings, with a total of 409 hours and a 76% attendance rate.

### 3-2 Quality and Innovative

To ensure the quality of services and products, the Foundation has established rigorous quality control procedures and is committed to helping improve the professional ability of employees and accumulating service energy. Members of the Board of Directors of the Foundation, employees of the Foundation, members of various professional committees, course lecturers, consultants of monthly magazines, and external groups are encouraged to cooperate to jointly promote service and product innovation.

#### Enhanced the Professional Capability

In terms of improving the professional capability of employees, the Foundation organized various internal training for employees and send employees to external units to take classes. Through the annual performance appraisal and the provision of innovative project incentives and other mechanisms, employees are encouraged to challenge themselves, create value for services and products, and grow mutually beneficially with stakeholders.

## 3-3 Research Effectiveness

### The Four Professional Committees

#### Taiwan Financial Reporting Standards Committee

Completed the review of translation of the 2022 version of the International Financial Reporting Standards including "Initial Application of IFRS 17 and IFRS 9— Comparative Information" (Amendment to IFRS 17), "Lease Liability in a Sale and Leaseback" (Amendment to IFRS 16), and the translation of Exposure Draft of Practice Statement "Management Commentary".

#### Auditing and Assurance Standards Committee

Issued International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements". Accounting firms should design and implement a quality management system in accordance with the Quality Management Standards before December 31, 2023.

#### Valuation Standards Committee

Issued Valuation Standards No.14 "Valuation on Non-financial Liabilities" (This statement is effective from 31 March 2022.)

#### eXtensible Business Reporting Language Committee

Continue to implement the XBRL upgrade plan for financial reporting in the capital markets, and hold a seminar titled "Current Status and Future of XBRL International Common Standard in Sustainable Information Disclosure," inviting XBRL International CEO, John Turner, to share the international development status and future trends of XBRL in sustainable information disclosure.

### Assistance in Applying Standards

#### Translation review of Agenda Decisions

Complete the 76 translation review of the agenda decisions issued by the IFRS Interpretations Committee and released in "IFRS Download Area" of the Financial Supervisory Commission's website for enterprises reference.

#### IFRS Q&As

To help practitioners understand how to apply IFRSs, a total of 3 IFRS Q&As were issued this year.

#### EAS Q&As and Illustrations

To ensure that enterprises can consistently apply the provisions of the Taiwan Enterprise Accounting Standards, a total of 15 EAS Q&As and Illustrations were issued and 11 Q&As issued in the past has been revisited this year.

### Research Project

#### Enterprise Accounting Standards Committee

Revised Enterprise Accounting Standards No. 2 "Presentation of Financial Statements" (enterprises should apply the revised provisions of this Standards concurrently with the second revision of Enterprise Accounting Standards No. 15 "Financial Instruments").

#### Task Force on Translation Review of Exposure Drafts S1 and S2.

The International Sustainability Standards Board (ISSB) issued the Exposure Draft of IFRS Sustainability Disclosure Standards No. 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and No. 2 "Climate-related Disclosures" in March 2022. In accordance with the instructions of the regulatory authority, the Foundation established a task force on translation review, with Professor Ting-Wong Cheng from National Chengchi University serving as the convener, to translate the Exposure Drafts into traditional Chinese for reference by the public. The Foundation have also replied to ISSB on July 28, 2022 with our comments on the Exposure Drafts.

#### Revision of GAAS's framework and summary by the ISAs

In response to the internationalization of capital market, SAS in Taiwan has adopted the Converging method since 2008 to gradually revise the SAS to align with ISAs. We have comprehensively reviewed and revised the current standards in accordance with the "Preface to the Pronouncements Issued by the Auditing Standards Committee" issued in 2021. The revised set of standards for auditing and assurance services was implemented from December 15, 2022.

## Question Database for Intangible Asset Valuation

To supply the talents needed for industrial upgrading, transformation, and productivity, the Ministry of Economic Affairs has formed the project to promote Industry Professional Assessment System since 2016. Among them, the appraisal system of "Intangible Asset Appraisal Managers" has been established for the appraisal of intangible assets and the examination has been conducted. In response to the policy of the Ministry of Economic Affairs, the Foundation has joined the Question Database of Educational Material for Industry Professional Assessment of Intangible Asset Valuation edited since 2017. This year, 200 questions were completed in the Question Database of Educational Material for Certified Intangible Asset Valuator-Expert Level.

## The Research on the Consistency in Accounts Between State-Owned Enterprises and Public Entities

State-owned enterprises that are public entities in our country should follow the accounts set by the Directorate General of Budget, Accounting and Statistics (the DGBAS) in the preparation of budgets, final accounting, and financial reports, while they are also required to prepare financial reports according to the accounts of various industries of public entities announced by the Taiwan Stock Exchange Corporation (the TWSE). To improve the efficiency of the preparation of financial information of state-owned enterprises and increase the transparency of financial information, the Foundation has conducted The Research on the Consistency in Accounts Between State-Owned Enterprises and Public Entities. The study includes a feasibility analysis and recommendations for aligning the accounting used by state-owned enterprises in budgeting, final accounting, and accounting reporting with those used by public entities in financial reporting as a reference for further improving the accounting used in state-owned enterprises' financial reporting.

## The Research on the Template Task Force on Climate-related Financial Disclosures (TCFD)

To comply with the Financial Supervisory Commission's policy of "Enhancing Disclosure of Sustainability Reports with Reference to International Standards TCFD", the Foundation have completed templates of climate-related financial disclosure for the food, chemical, banking, and insurance industries based on the Recommendations of the Task Force on Climate-related Financial Disclosures. These templates will assist these enterprises in properly and fully disclosing climate-related financial information in their sustainability reports when preparing their sustainability reports in 2023.

## Research on Accounting for Cryptocurrency Transactions

Given that some domestic listed companies already hold or engage in cryptocurrency transactions, and there is no a clear guidance regarding the accounting for such transactions, the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) have compiled and collected common patterns of cryptocurrency transactions among domestic listed companies. The Financial Supervisory Commission has established a project team to gather relevant regulations and practical cases from both domestic and international sources, conduct research on the accounting for such transactions, and publish the "Guidance on Accounting for Cryptocurrency Transactions" to assist enterprises in properly recognizing, measuring, presenting, and disclosing cryptocurrency transactions in their financial statements.

## 3-4 Course Effectiveness

The Foundation cooperates with the promotion of the regulations of the competent authorities, keeps abreast of the latest trends and issues, integrates the research and development standards projects of various professional committees of the Foundation, and offers a series of professional courses to meet the needs of company directors, supervisors, corporate governance supervisors/personnel, financial and accounting supervisors/personnel, internal audit supervisors/personnel, etc., in order to lead the trend of professional continuing education. The teaching methods include diverse channels such as physical teaching and digital video teaching; the topics cover corporate governance, financial accounting, auditing, valuation, taxation, regulations and internal control and internal auditing.

**In 2022, a total of 302 courses were held, with 30,999 participants, 11,529 electronic certificates issued for courses , and course income of 51,797,479 ; the average course satisfaction score was 4.62 (out of 5.0).**

## Promoting ESG Implementing Education of Sustainability

Corporate governance is an important foundation for a healthy capital market, and it is also the main key to attract investors to continue to invest. In order to implement corporate governance, enhance the sustainable development of enterprises, create a healthy and sustainable development ESG ecosystem, and strengthen the international competitiveness of the capital market, Financial Supervisory Commission, the competent authority, released the "Corporate Governance 3.0-Sustainable Development Roadmap" in 2020. Five major axes and 39 specific measures have been put forward, which were going to be promoted in a three-year schedule. Among them, "enhancing ESG information disclosure of listed companies" is one of the important projects. The name of the company's current corporate social responsibility report has been changed to "sustainability report", and new regulations were issued to refer to international standards to strengthen sustainability report revealed. In response to this trend and to assist companies in improving ESG information disclosure, the Foundation has held a series of courses on ESG sustainability topics, and invited well-known domestic experts in the field of sustainability to give wonderful courses to enable directors, supervisors, corporate governance supervisors, accounting supervisors, internal audit supervisors and other trainees have a considerable understanding of ESG sustainability, and help the Foundation's employees and companies to improve their knowledge and move towards the goal of sustainable operation and net zero carbon emissions.

**In 2022, the Foundation had held a total of 97 courses related to sustainability Total hours**

**Total hours 321 hours °**

## 3-5 Promotion Effectiveness

### Accounting Research Monthly Magazine

The "Accounting Research Monthly Magazine" was founded in October 1985 by the Foundation, and it has now entered its 37<sup>th</sup> year.

"Accounting Research Monthly Magazine" has issued more than 445 issues. In addition to its solid academic foundation, it also actively integrates practice and invites industry, government, and academic professionals to write articles, providing their professional views on related issues, and give back to the society to improve their contributions. With the evolution of financial trends, select time-sensitive and developmental professional topics, plan in-depth and complete cover topics and special reports, and provide readers with timely and comprehensive professional knowledge.

In 2022, "Accounting Research Monthly Magazine" has produced: "2022 Focus on Key Trends", "Net Zero Transformation to Build Taiwan's Green Supply Chain", "Towards Zero-Carbon Energy, Management, and Technology", "Decisive ESG information quality - third-party verification", "Carbon investigation and disclosure", "The wave of digital taxation", "Corporate sustainability disclosure and international standards", "ESG Practice of Enterprise", "Carbon Reduction Transformation and Digital Sustainability", "International Sustainability Disclosure Standards Status and Responses", "Auditing Standards Integrate Internationally", "Jointly Implementing International Sustainability Standards" and other cover topics. Monthly regular reports analyze the latest developments in IFRSs, analyze the latest domestic tax law practice information and tax administrative relief cases, and also discuss internal control, tax practice, accounting information, corporate governance, risk management, and finance for accounting, auditing, and finance. Special reports on management practice issues such as technology and ESG.



Cover of Issue 12 of the monthly magazine

In response to the advent of the digital reading era, subscriptions to the emagazine "Accounting Research Monthly Magazine" have been provided since 2014. Currently, emagazine subscriptions account for about 1.3% of all subscribers. Since July 2016, the online library of "Accounting Research Monthly Magazine" has opened, providing full-text search services.

### Professional Publications

To promote professional standards, and meet the needs for public, the Foundation provides separate edition and bound volume of the professional standards. For the related application of standards, the Foundation publishes related professional publications.

2022 publications include :

- (1) Evaluation Standards Bulletin No. 14 Evaluation of Non-financial Liabilities (released on 2022.01.21)
- (2) Intangible Assets Evaluation Intermediate Ability Appraisal Collection e-book (May 2022 edition)
- (3) Exploring the sustainable industry classification of my country's listed OTC companies: refer to the second edition of the SASB new industry classification e-book



Covers of Three Publications

## Promoting Events

### IFRSs Seminars

After the implementation of IFRSs, the International Accounting Standards Board (IASB) regularly reviews whether the standards need to be revised. In order to help companies understand the standards, the Foundation was entrusted by Taipei Exchange, Taiwan Stock Exchange, Taiwan Futures Exchange, and Taiwan Depository and Clearing Corporation, to hold "IFRSs seminars" in 2022. Four seminars were held in northern, central and southern Taiwan respectively to analyze the new trend of International Financial Reporting Standards.



Comprehensive discussion



IFRSs seminar

### Inline XBRL Seminars

In order to assist enterprises to enhance their understanding of iXBRL and the operation of the declaration system, to improve the international visibility of enterprises, attract foreign investment, reduce the cost of raising funds for domestic enterprises, and at the same time increase the reporting efficiency of issuing companies and reduce the barriers for investors to read XBRL documents, the Foundation was entrusted by the Taiwan Stock Exchange to hold "Inline XBRL Seminars" in 2022.

There were four seminars in northern, central and southern Taiwan respectively. Publicity topics include: "Inline XBRL Filing Financial Report Notes" and "XBRL Basic Concepts and Introduction to Domestic and Foreign Applications".



Inline XBRL Seminars

### Intangible Assets Evaluation Practical Courses and Seminars

In 2022, the Foundation continues to cooperate with the Industrial Technology Research Institute to promote intangible asset evaluation, and held "intangible asset evaluation practice workshops". Through practice programs related to intangible asset evaluation, participants have a deeper understanding of the implementation required by evaluators when evaluating intangible assets. The Foundation held an intangible asset evaluation seminar, inviting experts from the Big Four accounting firms and representatives of top domestic evaluation consulting companies to



discuss the Russian-Ukraine war, inflation and the impact of the issue of ESG sustainable development trend on evaluation work. Intangible Assets Evaluation Practical Courses and Seminars bring diverse and forward-looking perspectives to the development of evaluation practice.

## "Enterprise Accounting Standards" publicity course

In order to enable domestic non-public companies to correctly apply the Enterprise Accounting Standards, the Foundation undertake the publicity of the " Enterprise Accounting Standards" of Ministry of Economic Affairs in 2022. Produced audio-visual courses for the A Enterprise Accounting Standards No. 15 "Financial Instruments" and Climate-related Financial Disclosure (TCFD), and uploaded them to the website of the Foundation and the YouTube channel for free online learning.



QR Code of Our YouTube Channel

## Auditing Standards Publicity Conferences

In line with the specific measures to improve audit quality in the capital market blueprint issued by the Financial Supervisory Commission, the Auditing Standards Committee of the Foundation re-examined, revised the structure and general outline of generally accepted auditing standards, comprehensively reviewed and revised the current standards in line with the new structure, and publish quality management guidelines to facilitate international standards. In order to let everyone understand the latest developments in auditing standards, the Foundation held four "Auditing Standards Publicity Conferences ", inviting competent authorities and Chairman Atlan Hsu of the Auditing Standards Committee of the Foundation to explain the latest issued standards and future revision directions.



Group Photo of All Students



Q & A

## Continue to Hold Sustainable Seminars to Keep Up with New International Sustainable Trends

The Foundation continues to pay attention to sustainable issues. Held a series of seminars on "ESG + Industry" and "ESG + Accounting" in the past (2021). This year, "Online Seminar on Third-Party Verification of Sustainability Report", Symposium on "Greenhouse Gas Inventory and Disclosure", "Sustainability Reporting Seminar Series - Climate-related Financial Disclosure" Online Seminar, "Sustainability Report Seminar Series - Accounting Standards for Sustainability" Online Seminar, "Carbon Disclosure and Confidence" Online Seminar, "Sustainability Report Digitization" Online Seminar, and "Overview of International Sustainability Standards" seminars, etc.

In related seminars, in addition to inviting competent authorities such as the Securities and Futures Bureau of the Financial Supervisory Commission, the Environmental Protection Agency, and the Industrial Bureau of the Ministry of Economic Affairs to explain the direction of sustainability related policies and guidance measures, the Auditing Standards Committee of the Foundation has also performed analysis of international standards for the verification or confirmation of the greenhouse gas statement, accountants and other practitioners also actively participated in the meeting to share practical experience; the Foundation also invited Value Reporting Foundation (VAF), Ms. Laura Nelson, Ms. Emily Gaston and Mr. Sam Wallace to share the market implications of sustainable accounting standards key points of disclosure in the financial industry and technology and communication industries, Mr. John Turner, CEO of XBRL International Organization, explained the latest developments in the digitization of international sustainability reports, and Ms. Katie Schmitz Eulitt, Senior Market Director of the Asia-Pacific Region of the IFRS Foundation, explained the current situation of the Sustainability Standards Board (ISSB), domestic and foreign experts conduct practical dialogues through online seminars, in line with the latest international sustainable development trends.



Held an online seminar on digitization of sustainability reports and invite the CEO of XBRL International, Mr. John Turner, to explain the latest developments in the digitization of international sustainability reports



Held an online seminar on the overview of International Sustainability Standards and invited the senior market director of the Asia-Pacific region of the IFRS foundation, Ms. Katie Schmitz Eulitt, to explain the current situation of ISSB

## Participating in the 2022 Taipei Financial Technology Exhibition

The practice of blockchain technology is the mainstream of financial technology development. In order to promote the application of financial technology in our country and improve the quality of auditing, the Accounting Research and Development Foundation and Financial Information Service Co., LTD. jointly cooperated to use financial innovation technology and auditing standards, and launched "Financial Blockchain Confirmation Service", It in 2018 which was exhibited at the "2022 Taipei Fintech Exhibition" and won the Taipei Fintech Award Co-creation Model Award. To have a deep exploration to the confirmation services, the Accounting Research and Development Foundation and Finance Corporation jointly held two lectures in the exhibition area of "2022 Taipei Financial Technology Exhibition". The first one was "Financial Blockchain Confirmation Application Forum", which invites experts from various sectors shared the practice of financial blockchain confirmation letters in the public and private sectors; the second one was "Green Finance Sustainable Development Forum", which discusses the impact of climate change on the capital market, from financial supervision to sustainable reports and digital declarations technology.

In addition, in view of the increasingly vigorous development of digital assets and the emergence of new business models and investment opportunities, the Foundation also invited Eininkweb Co., LTD and Red Building Capital to coorganize a forum in the exhibition area of "2022 Taipei Financial Technology Exhibition" to discuss encryption currency prospects and investment, and the application of blockchain technology.



2022 Taipei Financial Technology Exhibition

# 4 Environmental Sustainability and Stewardship

## 4-1 Energy Management

In order to strengthen the conservation and effective use of energy, the Foundation reviews energy usage irregularly and promotes energy conservation-related measures and actions.

### Energy Saving

To save electricity, most of our lights are LED lights that are durable and energy saving. The Foundation also encourages employees to turn off lights and electrical appliances when not in use, and continues to improve the performance in electricity saving.

The Foundation sets the 2019 Energy Usage Index (EUI) as the baseline, and aims to reduce the EUI to below the base period level in subsequent years, and continues to promote relevant energy-saving measures.

In 2020, the electricity consumption index (EUI) value was slightly higher, which was due to the increase in electricity consumption caused by the increase in classes and activities; However, the Foundation still strives to save electricity and avoid unnecessary waste. In 2021, the value of the electricity consumption index (EUI) dropped sharply. This was due to the outbreak of the Pandemic again in May 2021, and the country has entered a level three alert. All courses and activities have been switched to online, resulting in a downward trend in electricity consumption. In 2022, the Foundation increased its headquarters in Xizhi to expand its operating capacity, so the total electricity consumption increased.

### 2019~2022 Electricity Usage Statistics

Year	Number of Worders	Total Electricity Consumption (kWh)	Floor Area (m2)	Electricity Utilization Index (EUI)	Energy Density per Capita
2019	34	160,240	1,080	148	4,713
2020	33	168,640	1,080	156	5,110
2021	35	146,880	1,080	136	4,197
2022	28	153,634	1,435 <sup>(Note)</sup>	107	5,487

Note: The Foundation increased its headquarters in Xizhi, the floor area was calculated by the proportion of the operating month

## Water Saving

The main source of water for the Foundation is tap water supplied by the Taipei Water Department, and there is no water source other than tap water. All of the Foundation's sanitation equipment has water-saving label. The Foundation encourages employees to turn off taps to improve water saving.

The annual water consumption between 2020 and 2022 was lower than the water consumption in 2019, mainly due to the extensive use of video teaching and activities.

### Statistics on the Use of Tap Water in 2019~2022

Year	Number of Workers	Total Water (degree)
2019	34	1265
2020	33	1213
2021	35	893
2022	28	708

## Recycle

To follow the government's environmental policy, the Foundation promotes environmental protection concepts to strengthen the employee's awareness, and implements recycling and waste reduction measures, including setting up recycling bins to encourage resource reuse.

## Energy Saving and Carbon Reduction

To follow the government's energy saving and carbon reduction policy, the Foundation has implemented measures in recent years, such as setting rules for turning on air conditioners, replacing lights with LED lights, and implementing video conferences to reduce traffic pollution and paper usage for participants.

## 4-2 Environmental Sustainability Management

By integrating the internal and external resources of the Foundation, the Foundation will continue to create a sustainable and high-quality environment, strengthen the maintenance or reconstruction of hardware equipment, and build a convenient learning and living environment under the priority of safety and hygiene.

### Safety and Health Management

In accordance with the Regulations for Occupational Safety and Health Management, the Foundation sent personnel to participate in the safety and health education and training for class-2 manager of occupational safety and health affairs, and the personnel obtains the certificate of class-2 manager of occupational safety and health affairs. The personnel is responsible for strengthening the safety and health knowledge of employees and pay attention to prevent possible occupational injury to ensure the safety and health of employees.

### Fire Safety Management

In accordance with the Enforcement Rules of Fire Services Act, the Foundation sent personnel to participate in the education and training of fire prevention specialists, and obtains a certificate of qualification for the training of fire prevention specialists, and actively cooperates with the management committee of the building to conduct regular fire safety equipment inspections to protect life and properties.

### Internet Resources and Information Security

The Foundation has established a fast, stable and secure information environment. In addition to the continuous updating of hardware equipment, it also acknowledges the great importance of software and network security to ensure the normal operation of the Foundation's system and the stable and smooth quality of meetings, courses and activities.

In terms of information system software, each system of the Foundation adopts account and password management and control, and the website adopts SSL encrypted transmission.

Check the security of various systems irregularly including the operating performance and capacity of the host.

To address various sudden disconnections or attacks, the Foundation has also developed strategies to resume system operation within the shortest period of time.

### Implement Information Security Measures

The Foundation attaches great importance to information security related measures to reduce the risk of information system intrusion.

Measure	Application
Purchasing Information Security Services of Telecom Operators	Block hackers from attacking network virus threats and prevent malicious connections to ensure the information security of the Foundation.
Set up Internet Firewall	Prevent external attacks and enhance the security of the internal network environment of the Foundation.
Antivirus Software	Through the centralized management of the enterprise-type anti-virus system, the virus pattern can be updated at any time to protect the security of each user's computer.

### Personal Data Protection

To implement the protection and management of personal data of employees and stakeholders of the Foundation, the Foundation has developed the "Regulations for Personal Data File Security Maintenance" in accordance with the relevant laws and regulations of the "Personal Data Protection Act", and each employee signed the "information security agreement" to maintain data protection and management. According to the Regulations for Personal Data File Security Maintenance, the personal data protection objectives of the Foundation include:

- In accordance with the requirements of the "Personal Data Protection Act" and "Regulations for Personal Data File Security Maintenance", protect the process of personal data collection, processing, utilization, storage, transmission, and destruction.
- In order to protect the safety of personal information related to the business of the Foundation, avoid the risks of theft, tampering, damage, loss or leakage due to external threats or improper management and use by internal personnel.
- Improve the protection and management of personal data, reduce operational risks, and create a reliable environment for personal data protection and privacy.
- In order to enhance employees' awareness of personal data protection and security, propagate personal data protection concepts occasionally.
- The Foundation has an information security incident point of contact and hotline.

In accordance with the above policies and regulations, the Foundation has handled the security maintenance and update of personal data files and personal data file lists in accordance with Article 17 of the "Regulations for Personal Data File Security Maintenance".

The employees of the Foundation and the entrusted units (such as outsourced manufacturers) should follow the norms and requirements of the personal data protection management system, and regularly review the operation of the personal data protection management system. In the event of a security incident such as malicious destruction, damage or careless operation of personal data, emergency response measures should be taken and handled in accordance with the "Information Security Incident Notification and Response Management Procedures" enacted by the Foundation. When the entrusted unit cooperates with the Foundation, it should sign a confidentiality agreement to ensure that it fully understands the importance of personal data protection and the legal responsibility for leaking personal information.

# 5 Social Inclusion and Connection

## 5-1 Talent Recruitment and Retention

All parts of the Foundation are set up in accordance with organizational regulations and operate in accordance with the regulations; It has also established and improved work rules to employ excellent and competent employees.

Recruitment of employees in various division must be elected in a fair, open and transparent manner, and should follow the basic principle of equality: there is no discrimination in terms of gender, race, age, political orientation, marriage and family. However, those who have committed sexual assault or have been investigated and confirmed by the Gender Equality Committee shall not be employed.

### Employee Appointment Process

According to the working rules of the Foundation, in addition to public recruitment, the resume of department heads and above shall be submitted to the executive board of directors. More than half of the executive directors should attend, and more than half of the attendees should agree and approve; other personnel appointed with the approval of the Chairman of the board, reported to the executive board of directors, and paid monthly salary according to the "level and salary table" of the Foundation. The highest governance unit of the Foundation is unpaid, and the salaries of senior executives are approved by the Chairperson of the board.

### Recruitment Channel

The Foundation recruits talents through various channels, including the official website of the Foundation, Line@, online job banks, human resource agencies, postings to relevant agencies of various colleges and universities, and email, etc., publishes recruitment information, strengthens exposure to attract excellent talents join the Foundation.

Although the changes in staff in 2022 are greater than those in the previous two years, with the mutual coordination and support of various departments, the functions of all colleagues can be fully utilized to complete all tasks. The high turnover rate did not affect the operation of the Foundation.

### Human Resources Overview

(calculated based on the actual number of employees at the end of the year)

#### Employee Gender Statistics in the Past Three Years

	Unit : person	
	male	female
2020	4	29
2021	6	29
2022	6	22

#### New Employees and Resigned Employees

	Unit : person	
	New employees	Resigned employees
2020	1	2
2021	3	2
2022	5	12

## Employee Age Statistics in thg Past Three Years

Unit : person

	under 30 years old	30-50 years old	over 50 years old
2020	5	22	6
2021	6	23	6
2022	4	18	6

Note: Non-employee workers are non-employees of the Foundation , including outsourced manpower, part-time students, etc. There were a total of 7 people in 2022, and there is no significant fluctuation in the number compared with the previous year.

## Employee Salary and Job Security

All employees of the Foundation are subject to the new scheme of labor insurance and labor pension, and are protected by the Labor Standards Act. Salaries of employees at all levels of the Foundation shall be processed in accordance with the Foundation's salary table.

## Employee Assessment and Rewards and Punishments

In order to ensure the administrative efficiency and service quality of employees in their duties, the Foundation has established "work rules". The rules clearly stipulate the principles and standards of rewards and punishments to encourage employees who promote the important business of the Foundation, or punish employees who violations of the regulations that cause the Foundation severely harmed.

In addition, in order to motivate employees' morale, improve work efficiency, and successfully achieve the goals of the work plan, the Foundation conducts a performance appraisal for all (100%) employees in the previous year's work performance and achievement ratio in January each year, and distributes performance bonuses according to the relevant appraisal mechanism; In addition, according to this rule, the promotion of employees shall be handled according to the annual performance appraisal or project handling.

## Education Training

In order to help employees learn and grow to improve work performance and achieve organizational goals, the Foundation organizes regular or irregular education training or employee training according to business needs to enhance employees' workplace functions. This year, all employees participated in relevant professional courses organized by the Foundation or other units 727 hours, including 491 continuous hours, and the other 236 hours, the average training hours peremployee is 26 hours. In addition, in order to enhance the ability of the researchers of the Foundation to research and develop accounting, auditing and evaluation related knowledge, the "Researchers Overseas Training Method" has been established to promote the achievement of the purpose of the Foundation.

## Effective Communication

Although the Foundation does not have a labor union, it has labor representatives, and holds quarterly management and labor council to communicate opinions between labor and management to coordinate labor relations, promote labor cooperation, and improve work efficiency. The Foundation also has "Regulations for prevention measures for sexual harassment in the workplace, complaints and disciplinary" to protect employees from sexual harassment in the work environment.

The Foundation has a complaint channel to protect the rights and interests of employees, provide employees with information on the protection of human rights, and make necessary announcements to employees.

## Employee Welfare System

To increase employees' recognition of the Foundation and improve work efficiency, the Foundation provides the necessary basic labor conditions based on government labor laws and regulations, including two-day weekly rest, flexible working hours mechanism, adequate leave system, labor and health insurance, and pension funds. The Foundation also organizes birthday party activities, domestic company tours, tour subsidies and other benefits.

The pension plans offered by the Foundation for employees include the defined benefit plan stipulated in accordance with the "Labor Standards Act" and the defined contribution plan stipulated in accordance with the "Labor Pension Act". Retirement reserves are drawn in accordance with laws and regulations to protect the rights and interests of employees in applying for retirement pensions in the future and ensure that funds are fully allocated.

In addition, according to Article 16 Paragraph 5 of the Gender- Equality in Employment, after six months of employment, employees can apply for childcare leave without pay in accordance with the "Regulations for Implementing Unpaid Parental Leave for Raising Children". No one applies for parental leave without pay in 2021.

The salary of the basic-level employees of the Foundation is higher than the basic salary stipulated by the Labor Standards Act. The standard starting salary of male basic-level employees is 140% of the basic salary, and the standard starting salary of female basic-level employees is also 140% of the basic salary.

The Foundation attaches great importance to equal opportunities for employees. The average salary ratio of women to men is 98%.

If the Foundation encounters unfit employees and wants to terminate the labor contract, it will be dispatched in accordance with the provisions of the Labor Standards Act to protect the rights and interests of both employers and employees.

When major operational changes affect the rights and interests of employees and various labor conditions, and the labor contract needs to be terminated, the organization will, in accordance with the provisions of the Labor Standards Act, make advance notice before terminating the labor contract.

## Code of Conduct

To improve the governance of the Foundation and the efficiency of committee deliberations, after the end of the year, the Foundation invites committee members, and consultants to conduct self-evaluation on their knowledge of their positions and their participation in the committee. In addition, all employees of the Foundation have signed the information security agreement, confidential agreement and confirmation letter to ensure that our employees abide by all laws and regulations in their work and behavior, and must not infringe the copyright of the Foundation, and must not use their authority to accept, request or agree on any unwarranted reward or gift.

## 5-2 Social Connection

### Start-Up Business Owners Workshop

To assist new entrepreneurs to properly plan their capital utilization strategies and avoid business interruption due to short of funds, under the guidance of the Department of Commerce of the Ministry of Economic Affairs, the Foundation, the Youth Bureau of the New Taipei City Government, and the Taipei University Library jointly organize a camp for new entrepreneurs-"Deciphering the Keys to Fundraising for New Ventures", invites representatives from securities companies of Taiwan Stock Exchanges accounting firms, new entrepreneurs, etc. to have a knowledge sharing relating to the start-up, fundraising and management of new ventures, and introduce to related polices and practical experience. Through the experience sharing of the speakers, the participants gain a further understanding of the fundraising and management of new ventures. In addition, in order to meet the different needs of the participants, the "Study Camp for Start-up Entrepreneurs" was held via both physical and online channels.



### Holding the Accounting Elite Cup Debate Competition

The Accounting Elite Cup Debating Competition sponsored by the Foundation entered its 34th session this year (2022), and it was held at Taichung Feng Chia University from October 15th to 16th. This year's debate competition was co-organized by the Accounting Department of Feng Chia University. A total of 16 accounting departments from colleges and universities participated in the competition. As a result of the competition, Taiwan University won the championship, Shih Chien University, Tamkang University, and Feng Chia University won the runner-up, Second runner-up and fourth runner-up.



Champion Awarded by legislative Member Fei Hong Tai



Runner-Up Awarded by President of Feng Chia University Wang Wei

The topic of this debate is group competition: "our country's CPA Association should set a reasonable remuneration standard for attestation by CPA" and the top five, seminal competition: "The sustainability report prepared by our country's public companies should be mandatory to obtain a letter of assurance from joint CPA firms", are all hot issues that are in line with the current professional development trend. The participating students can learn the ability to analyze issues and discuss pros and cons from the debates, and in the process of thinking, look for various development possibilities of issues and the solution will be the soft power of accounting students in the workplace in the future.

### Financial and Accounting Education Advocacy

Since 2016, the Foundation has been involved in educating finance related knowledge. With the three major topics, personal financial management, investment and financial management and fraud prevention, financial technology and consumer protection, the Foundation held the "Youth Finance Lecture" to lead students build up correct attitude towards money. The foundation further targeted elders, women, military, agricultural and fishery groups...etc., to hold "financial knowledge +" lectures to enhance their financial and accounting knowledge with the concepts of digital finance and mobile payment. Topics cover investment and financial management, reading financial statements, preventing fraud, money laundering prevention, etc.. As of the end of 2022, a total of 98 sessions of "Youth Finance Lectures" and 49 sessions of "Financial Knowledge+" lectures were held.



Council of Agriculture Executive Yuan Lecture



Finance Lecture for Elderly



Youth Fiance Lecture



The Foundation will continue to advocate financial knowledge to military, agricultural and fishery groups, employees and customers of the Honorary Guardians Association under the Ministry of Justice, and high school students. The Foundation hope that the advocacy helps the public capable of good sense of financial planning and financial scam prevention, and the things that should be kept in mind while using digital finance tools under the trend of financial technology.

**In 2022, 98 "Youth Finance Lectures" and 71 "Financial Knowledge+" were held.**

### 2016-2022 Financial Education Promotion Times

Year	2016	2017	2018	2019	2020	2021	2022
Youth Finance Lecture	12	16	16	16	16	6	16
Financial Knowledge + Lectures		6	6	4	4	29	22

## 5-3 International Interaction

### Actively Participate in International Activities

#### Participated in the International Forum of Accounting Standard Setters (IFASS)

The International Forum of Accounting Standard Setters (IFASS) held two meetings in 2022. Due to the impact of COVID-19, this year's meetings were held online. In the IFASS, the IASB, ISSB and standard setters from various countries shared their plans and research topics with the participants, and had heated discussions with the participants.

#### Participated in the World Standard-Setters Conference (WSS)

The World Standard-Setters Conference (WSS) provides national standard-setters from various countries with the opportunity to understand and participate in the latest activities of the International Financial Reporting Standards Foundation (IFRS Foundation). The conference includes an interactive Q&A session where participants can communicate with the moderator or representatives of various countries through panel discussions or by submitting questions to the moderator.

The Foundation fully participates in and compiles the important contents of these meetings and publishes them in the Accounting Research Monthly Magazine, so that stakeholders can be informed of the latest trends in the development of the international accounting profession.

## Interact with Sustainability Accounting Standards Board (SASB)

As environmental, social, and governance (ESG) issues continue to be the focus of the world's attention, as a leader in accounting-related professions, the Foundation is also actively involved in the development of ESG disclosure standards. The Foundation became an alliance member of the Sustainability Accounting Standards Board (SASB) in 2020 and continues to participate in many seminars organized by SASB to discuss in depth the standards issued by SASB for various industries and the annual meeting of SASB.



**The Chairperson, Dr. Doris Yi-Hsin Wang, led a delegation to visit SASB in July 2022 to exchange views. The visit makes the international organization to gain a better understanding of our government's emphasis on the standards related to sustainability information disclosure.**

# 6 Appendix

## Our Board of Director

### The List of Directors and Consultants

Position	Name	Current Job Title
Chairper-son	Doris Yi-Hsin Wang	Professor, Department of Accountancy, National Taipei University
Standing Director	Louise Ju-Yu Wu	CEO, Accounting Research and Development Foundation
Standing Director	Atlan Hsu	Partner, PricewaterhouseCoopers
Standing Director	Chun-Bin Liu	Deputy Director, Insurance Bureau, Financial Supervisory Commission
Standing Director	Txu-Mei Hsu	Director-General, Taxation Administration, Ministry of Finance, R.O.C
Standing Director	Ching-Ping Kao	Deputy Director-General, Securities and Futures Bureau, Financial Supervisory Commission
Standing Director	Wen-Fang Fu	Partner, Ernst & Young
Standing Director	Allan Yu	Partner, KPMG
Standing Director	Ming-Hong Ho	Chairperson, Taiwan Securities Association
Standing Director	Yih-Ray Huang	Chairperson of Board, National Federation of Certified Public Accountant Association of the R.O.C.
Standing Director	Sheng-Chang Liu	Partner, C.H Chang & Co. CPA
Standing Director	Chi-Chun Liu	Professor, Department of Accounting, National Taiwan University
Standing Director	Lih-Chung Chien	President, Taiwan Stock Exchange Corporation
Board Member	Jeff Chen	Partner, KPMG
Board Member	Cong-Ming Wang	Secretary General, Bankers Association of the Republic of China
Board Member	Yi-Shun Chang	Chairperson of the Board, Kaohsiung Certified Public Accountants Association
Board Member	Ai-Ling Lee	CEO, Taipei Exchange ( TPEX )
Board Member	Jin-Chang Lee	Assistant Auditor General & Director, The Fourth Bu-reau National Audit Office
Board Member	Chien-Hung Chou	Partner, PricewaterhouseCoopers
Board Member	Chan-Jane Lin	Professor, Department of Accounting, National Taiwan University
Board Member	Jason Ke	Partner, Deloitte & Touche
Board Member	Hivam Chen	Chairperson, Taipei Certified Public Accountants Association
Board Member	Wen-Lin Chuang	Senior Executive Officer, Department of Commerce, Ministry of Economic Affairs
Board Member	Bi-Lan Hsu	Commissioner and Director, Department of Account-ing and Financial Reporting, DGBAS, Executive Yuan
Board Member	Rich Yang	Chairperson of the Board of Directors, Taiwan Certified Public Accountants Association

### Gender of Board Members

man : **68%**      women : **32%**

### The List of Consultants

Position	Name	Current Job Title
Consultant	Pao-Kuei Chu	Senior Certified Public Accountant
Consultant	Tang-Chieh Wu	Secretary General, Taiwan Financial Services Roundtable
Consultant	Chung-Pei Lee	General manager, Taiwan Cement Corporation
Consultant	Joseph Hung	Professor, Institute of Technology Management, National Chiao Tung University
Consultant	Thomas M. F. Yeh	Professor, Chinese National Association of Industry and Commerce
Consultant	Michael Chang	Senior Certified Public Accountant
Consultant	Ting-Wong Cheng	Professor, Department of Accounting, National Chengchi University

## Our Committees

There are four professional committees under the Board of Director, including the Taiwan Financial Reporting Standards Committee, the Auditing Standards Committee, the Valuation Standards Committee, and the eXtensible Business Reporting Language Committee.

### Taiwan Financial Reporting Standards Committee

Position	Name	Current Job Title
Chairperson	Chi-Chun Liu	Professor, Department of Accounting, National Taiwan University
Committee Member	Shi-Xian Hu	Senior Executive Officer, Taxation Administration, Ministry of Finance
Committee Member	Chi-Jen Kao	Director, Insurance Bureau, Financial Supervisory Commission
Committee Member	Wen-Hsin Hsu	Professor, Department of Accounting, National Taiwan University
Committee Member	Yu-Shen Chen	Professor, Department of Accounting, National Chengchi University
Committee Member	Kun-Chih Chen	Associate Professor, Department of Accounting, National Taiwan University
Committee Member	Ming-Chin Chen	Professor, Department of Accounting, National Chengchi University
Committee Member	Zhong-Hao Huang	Director, Accounting and Auditing Supervision Division, Securities and Futures Bureau, Financial Supervisory Commission
Committee Member	Hua-Wei Huang	Professor, Department of Accounting, National Cheng Kung University
Committee Member	Meng-Ping Yang	Professor, Department of Accounting, Soochow University
Committee Member	Wan-Yi Liu	Senior Executive Officer, Banking Bureau, Financial Supervisory Commission
Committee Member	Chien-Yun Cheng	Section Chief, Department of Commerce, Ministry of Economic Affairs
Consultant	Fan-Hua Kung	Associate Professor, Department of Accounting, Tamkang University

Position	Name	Current Job Title
Consultant	Lin-Hui Yu	Associate Professor, Department of Accounting, National Taiwan University
Consultant	Yen-Chun Wang	Chairperson, Accounting & Auditing Committee, Taipei Certified Public Accountants Association
Consultant	Mei-Ling Wang	Partner, KPMG
Consultant	Wei-Heng Lin	Professor, Department of Accounting Information, National Taipei University of Business
Consultant	Guo-Tian Hung	Partner, Deloitte & Touche
Consultant	Sheng-Min Hung	Professor, Department of Accounting, Soochow University
Consultant	Conrad C. Chang	Professor, Department of Accountancy, National Taipei University
Consultant	Yu-Tzu Chang	Associate Professor, Department of Accounting, National Chengchi University
Consultant	Chung-Yuan Hsu	Professor, Department of Accounting, National Chengchi University
Consultant	Joanne Kuo	Chairperson, Accounting & Auditing Committee, Taiwan Certified Public Accountants Association
Consultant	Han-Zhong Chen	Assistant Professor, Department of Accountancy, National Taipei University
Consultant	Wen-Fang Fu	Partner, Ernst & Young
Consultant	Shiang-Yu Huang	Assistant Professor, Department of Accounting, National Taiwan University
Consultant	Ling-Wen Huang	Chairperson, Financial Accounting Regulations Committee, Kaohsiung Certified Public Accountants Association
Consultant	Ke-Yi Liu	Chairperson, Auditing & Accounting Committee, National Federation of Certified Public Accountant Associations of the R.O.C
Consultant	Jian-Min Pan	Associate Professor, Department of Accounting, National Chengchi University
Consultant	Yann-Ching Tsai	Professor, Department of Accounting, National Taiwan University
Consultant	Lien-Sheng Lu	Partner, Earnest
Consultant	Chih-Cheng Hsieh	Partner, PricewaterhouseCoopers
Consultant	Sin-Hui Yen	Professor, Department of Accounting, Tamkang University

## Auditing Standards Committee

Position	Name	Current Job Title
Chairperson	Atlan Hsu	Partner, PricewaterhouseCoopers
Committee Member	Jan-Zan Lee	Professor, Department of Accountancy, National Taipei University
Committee Member	Chan-Jane Lin	Professor, Department of Accounting, National Taiwan University
Committee Member	Hung-Chao Yu	Professor, Department of Accounting, National Chengchi University
Committee Member	Joanne Kuo	Vice-Chairperson, Accounting & Auditing Committee, Taipei Certified Public Accountants Association
Committee Member	Grace Chen	Partner, KPMG
Committee Member	Shi-Ming Ceng	Deputy Auditor, National Audit Office
Committee Member	Zhong-Hao Huang	Director, Accounting and Auditing Supervision Division, Securities and Futures Bureau, Financial Supervisory Commission
Committee Member	Shao-Yan Huang	Professor, Department of Accounting and Information Technology, National Chung Cheng University
Committee Member	Chien-Tse Huang	Partner, Ernst & Young
Committee Member	Ke-Yi Liu	Chairperson, Accounting & Auditing Committee, National Federation of Certified Public Accountant Associations of the R.O.C
Committee Member	Chien-Yun Cheng	Section Chief, Department of Commerce, Ministry of Economic Affairs
Committee Member	Chien-Hsin Hsieh	Partner, Deloitte & Touche
Consultant	Yan-Jun Wang	Vice-Chairperson, Accounting & Auditing Committee, Taipei Certified Public Accountants Association
Consultant	Michael Chang	Senior Certified Public Accountant
Consultant	Ling-Wen Huang	Chairperson, Accounting Auditing Committee, Kaohsiung Certified Public Accountant Association
Consultant	James Tsai	Senior Certified Public Accountant

## Valuation Standards Committee

Position	Name	Current Job Title
Chairperson	Allan Yu	Partner, KPMG
Committee Member	Chuan-San Wang	Professor, Department of Accounting, National Taiwan University
Committee Member	Chia-Mei Pai	Chief, Securities and Futures Bureau, Financial Supervisory Commission
Committee Member	Chi-Ming Wu	Associate Professor, Department of Finance, National Chengchi University
Committee Member	Szu-Wei Lin	Manager, Research and Development Department, Joint Credit Information Center
Committee Member	Li-Han Kao	Chairperson, Department of Accounting, Soochow University
Committee Member	Heng-Pin Hsu	Senior Deputy General Manager, Deloitte & Touche
Committee Member	Jenn-Shyong Kuo	Professor, Department of Accounting, National Taipei University
Committee Member	Bei-Wei Chen	Chairperson, Valuation and Forensic Accounting Committee, National Federation of Certified Public Accountant Associations of the R.O.C
Committee Member	Chuan-Cheng Chen	Chief, Knowledge Services Division, Industrial Development Bureau, Ministry of Economic Affairs
Committee Member	Su-Chen Chen	Vice President, Wau Yuan Property Appraisal Co., Ltd
Committee Member	Zhen-Yu Feng	Professor, Department of Law, National Taiwan University
Committee Member	Chih-Wei Feng	Executive Director, Ernst & Young
Committee Member	Hsiao-Fen Huang	Partner, PricewaterhouseCoopers Taiwan
Committee Member	Ming-Ren Hsieh	Chairperson, Business and Intangible Assets Valuation Committee, National Federation of Certified Public Accountant Associations of the R.O.C.

## eXtensible Business Reporting Language Committee

Position	Name	Current Job Title
Chairper-son	Rebecca Chen	Senior Executive Vice President, Taiwan Stock Exchange Corporation
Executive Director-Committee Member	Shih-Hao Chou	Vice President, Corporate Planning & Strategy, Taiwan Stock Exchange Corporation
Committee Member	Sherry Wang	Manager, Credit Information Department, Joint Credit Information Center
Committee Member	Chao-Jen Wu	Partner, KPMG
Committee Member	Julie Wang	Senior Vice President, Issuer Services Department, Taiwan Depository & Clearing Corporation
Committee Member	Kuo-Hua Chou	Chairperson, Department of Accounting, National Pingtung University
Committee Member	Linda Lin	General Manager, Listing Supervision Department, Taipei Exchange (TPEX)
Committee Member	Jing-Yi Lin	Chief, Accounting and Auditing Supervision Division, Securities and Futures Bureau, Financial Supervisory Commission
Committee Member	Chih-Hsien Ke	Partner, Deloitte & Touche
Committee Member	Wen-His Chang	Director-General, Fiscal Information Agency, Ministry of Finance
Committee Member	Tony Chang	Executive Vice President, Ernst & Young
Committee Member	Gary Hsu	Partner, PricewaterhouseCoopers
Committee Member	Ke-Yi Liu	Chairperson, Accounting & Auditing Committee, National Federation of Certified Public Accountant Associations of the R.O.C

## GRI Content Index

GRI Standard	Disclosure	Page(s)	Corresponding chapter(s)/Notes	
general disclosure				
GRI 2: General Disclosures 2021	2-1	Organizational details	19-21	1-1 History and Overview
	2-2	Entities included in the organization's sustainability reporting	19-21	1-1 History and Overview
	2-3	Reporting period, frequency and contact point	4-5	About the Report
	2-4	Restatements of information		Not applicable as no restatement
	2-5	External assurance	4-5 75	About the Report External Assuranc
	2-6	Activities, value chain and other business relationships	41-42	2-4 Business procurement and supply chain management
	2-7	Employees	59-61	5-1 Talent recruitment and retention
	2-8	Workers who are not employees	59-61	5-1 Talent recruitment and retention
	2-9	Governance structure and composition	22 24-26	1-2 Organizational Chart 1-4 Sustainability Vision and Action
	2-10	Nomination and selection of the highest governance body	34	2-1 Organization Governance
	2-11	Chair of the highest governance body	34	2-1 Organization Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	34	2-1 Organization Governance
	2-13	Delegation of responsibility for managing impacts	35-37	2-2 Risk Management and Internal Control
	2-14	Role of the highest governance body in sustainability reporting	24-26 34 35-37	1-4 Sustainability Vision and Action 2-1 Organization Governance 2-2 Risk Management and Internal Control
	2-15	Conflicts of interest	19-21	1-1 History and Overview
	2-16	Communication of critical concerns	4-5 24-26	About the Report 1-4 Sustainability Vision and Action
	2-17	Collective knowledge of the highest governance body	34	2-1 Organization Governance
	2-18	Evaluation of the performance of the highest governance body	38-40	2-3 ESG Performance Summary
	2-19	Remuneration policies	59-61	5-1 Talent recruitment and retention
	2-20	Process to determine remuneration	59-61	5-1 Talent recruitment and retention
	2-21	Annual total compensation ratio		Chairman is a non-paid position and CEO's remuneration is determined according to the Foundation's related policies
	2-22	Statement on sustainable development strategy	6	2022 Chairperson's Message

GRI Standard	Disclosure	Page(s)	Corresponding chapter(s)/Notes	
GRI 2: General Disclosures 2021	2-23	Policy commitments	59-61	5-1 Talent recruitment and retention
	2-24	Embedding policy commitments	59-61	5-1 Talent recruitment and retention
	2-25	Processes to remediate negative impacts	35-37	2-2 Risk Management and Internal Control
	2-26	Mechanisms for seeking advice and raising concerns	27-29	1-5 Stakeholder Communication
	2-27	Compliance with laws and regulations		No non-compliance event
	2-28	Membership associations	64-65	5-3 International Communication
	2-29	Approach to stakeholder engagement	30-32	1-6 Identify material issues and boundaries
	2-30	Collective bargaining agreements	59-61	5-1 Talent recruitment and retention
GRI 3 : Significant Theme Disclosure Project				
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	30-32	1-6 Identify material issues and boundaries
	3-2	List of material topics	30-32	1-6 Identify material issues and boundaries
	3-3	Management of material topics	35-37	2-2 Risk Management and Internal Control
Specific Theme Criteria				
GRI 200 : Economic				
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	38-40	2-3 ESG Performance Summary
	201-2	Financial implications and other risks and opportunities due to climate change	24-26	1-4 Sustainability Vision and Action
	201-3	Defined benefit plan obligations and other retirement plans	59-61	5-1 Talent recruitment and retention
	201-4	Financial assistance received from government	38-40	2-3 ESG Performance Summary
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	59-61	5-1 Talent recruitment and retention
GRI 203 : Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	10-18	Focus Report
GRI 204 : Procurement Practice 2016	204-1	Proportion of spending on local suppliers	41-42	2-4 Business procurement and supply chain management
GRI 205 : Anti-Corruption 2016	205-2	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	59-61	5-1 Talent recruitment and retention
	205-3	Confirmed incidents of corruption and actions taken		No incidents of corruption or related actions

GRI Standard	Disclosure	Page(s)	Corresponding chapter(s)/Notes
GRI 300 : Environmental			
GRI 302 : ENERGY 2016	302-1 Energy consumption within the organization	55-56	4-1 Energy management
GRI 303 : Water and Effluents 2018	303-3 Water withdrawal	55-56	4-1 Energy management
GRI 400 : Social			
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	59-61	5-1 Talent recruitment and retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	59-61	5-1 Talent recruitment and retention
	401-3 Parental leave	59-61	5-1 Talent recruitment and retention
GRI 402 : Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	59-61	5-1 Talent recruitment and retention
GRI 403 : Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	57-58	4-2 Environmental Sustainability Management
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	59-61	5-1 Talent recruitment and retention
	404-2 Programs for upgrading employee skills and transition assistance programs	59-61 43	5-1 Talent recruitment and retention 3-2 Quality and Innovation
	404-3 Percentage of employees receiving regular performance and career development reviews	59-61	5-1 Talent recruitment and retention
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	59-61 66	5-1 Talent recruitment and retention Our Board of Director
	405-2 Ratio of basic salary and remuneration of women to men	59-61	5-1 Talent recruitment and retention
GRI 413 : Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62-63	5-2 Social Connection
	413-2 Operations with significant actual and potential negative impacts on local communities		No negative impacts on local communities noted
GRI 415 : Public Policy 2016	415-1 Disclosure 415-1 Political contributions		No political contributions
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No complaints concerning breaches of customer privacy and losses of customer data
GRI 419 : Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		No non-compliance

## External Assurance

### Summary of Subject Matters Assured

No.	Subject Matter Information	Chapter(Page)	Applicable Criteria
1	The number of external feedbacks received on proposed standards in 2022 : 250	2-3 ESG performance summary (P.38)	The number of external feedbacks received on drafts issued by the professional committees and project groups of the Foundation plus the number of feedbacks issued by the Foundation on drafts issued by international professional organizations in 2022.
2	The number of electronic course certificates issued in 2022 : 11,529	2-3 ESG performance summary (P.39)	The number of e-certificates issued to the students who participated in courses conducted in 2022.
3	The number of visits to the Foundation's social mediasites as of 31 December 2022 : 2,028,879	2-3 ESG performance summary (P.39)	The number of visits on FB fan pages and LINE@ fan followers plus the total number of views to the videos on the Foundation's YouTube channel as of the end of 2022



Independent Limited Assurance Report

PWCR23000031

To the Accounting Research and Development Foundation:

We have been engaged by the Accounting Research and Development Foundation (the “Foundation”) to perform assurance procedures on the sustainability performance information identified by the Foundation and reported in the 2022 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

**Subject Matter Information and Applicable Criteria**

The sustainability performance information identified by the Foundation (hereinafter referred to as the “Subject Matter Information”) and the respective applicable criteria are stated in the “Summary of Subject Matters Assured” on page 75 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the “Reporting Scope” on page 4 of the Sustainability Report.

**Management’s Responsibilities**

The Management of the Foundation is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” of the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Subject Matter Information and performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Our assurance does not extend to information in respect of earlier periods or to any other information disclosed in the Sustainability Report for 2021.

**Compliance of Independence and Quality Control Requirement**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Standard on Quality Management 1, “Quality Management for Public Accounting Firms” of the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Inherent Limitations**

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

**Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria.



**Other Matter**

The Management of the Foundation is responsible for maintaining the Foundation’s website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

*Jui-Ting Chang*  
 \_\_\_\_\_  
 Jui-Ting Chang

For and on behalf of PricewaterhouseCoopers, Taiwan  
 13 July, 2023

## Auditor's Reports and Financial Statements



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**Independent Auditor’s Report**

The Board of Directors  
 Accounting Research and Development Foundation

**Opinion**

We have audited the accompanying financial statements of the Accounting Research and Development Foundation of the Republic of China, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in net worth, and cash flows for the years then ended 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial positions of the Accounting Research and Development Foundation as of December 31, 2022 and 2021, and the financial performance and its cash flows for the years then ended, in conformity with “Regulations Governing the Preparation of Financial Reports and Accounting Treatment for the Foundations Supervised by Financial Supervisory Commission”, Enterprise Accounting Standards, and the related Interpretations announced by the Accounting Research and Development Foundation of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the section of Auditor’s Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Accounting Research and Development Foundation in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO Taiwan, a joint accounting firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with “Regulations Governing the Preparation of Financial Reports and Accounting Treatment for the Foundations Supervised by Financial Supervisory Commission”, Enterprise Accounting Standards, and the related Interpretations announced by the Accounting Research and Development Foundation of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Accounting Research and Development Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Accounting Research and Development Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Accounting Research and Development Foundation.

### **Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

BDO Taiwan, a joint accounting firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Accounting Research and Development Foundation.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of Accounting Research and Development Foundation. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Accounting Research and Development Foundation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Taiwan*

**BDO Taiwan**

**March 29, 2023**

#### Notice to Readers

*The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.*

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**Accounting Research and Development Foundation**  
**Balance Sheets**  
**December 31, 2022 and 2021**

	December 31, 2022	%	December 31, 2021	%
<b>Current Assets</b>				
Cash and Cash Equivalents	\$26,120,121	5.81	\$234,199,229	61.57
Accounts Receivable	9,187,422	2.04	9,041,730	2.38
Other Receivables	350,000	0.08	150,000	0.04
Prepayments	549,051	0.13	1,256,069	0.33
Total Current Assets	<u>36,206,594</u>	<u>8.06</u>	<u>244,647,028</u>	<u>64.32</u>
<b>Noncurrent Assets</b>				
Property, Plant and Equipment	351,664,023	78.24	73,785,719	19.40
Restricted Cash-XBRL Account	10,569,134	2.35	11,941,846	3.14
Other Noncurrent Assets	51,001,500	11.35	50,001,500	13.14
Total Noncurrent Assets	<u>413,234,657</u>	<u>91.94</u>	<u>135,729,065</u>	<u>35.68</u>
Total Assets	<u>\$449,441,251</u>	<u>100.00</u>	<u>\$380,376,093</u>	<u>100.00</u>

(Expressed in New Taiwan Dollars)

	December 31, 2022	%	December 31, 2021	%
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$12,815,049	2.85	\$12,660,268	3.33
Other Payable-XBRL Account	104,967	0.02	160,987	0.04
Deferred Credit-XBRL Account	2,545,000	0.57	2,545,000	0.67
Income Tax Payable	733,527	0.16	1,890,268	0.50
Other Current Liabilities	10,668,366	2.38	8,394,870	2.20
Total Current Liabilities	<u>26,866,909</u>	<u>5.98</u>	<u>25,651,393</u>	<u>6.74</u>
<b>Noncurrent Liabilities</b>				
Long-term loans	43,030,268	9.57	-	-
Deferred Credit-XBRL Account	7,919,167	1.76	9,235,859	2.43
Other Noncurrent Liabilities	642,008	0.15	514,339	0.14
Total Noncurrent Liabilities	<u>51,591,443</u>	<u>11.48</u>	<u>9,750,198</u>	<u>2.57</u>
Total Liabilities	<u>78,458,352</u>	<u>17.46</u>	<u>35,401,591</u>	<u>9.31</u>
<b>Net Worth</b>				
<b>Funds</b>				
Statutory Fund	80,000,000	17.80	80,000,000	21.03
Other Fund	21,838,572	4.86	21,638,572	5.69
Total Statutory and Other Fund	<u>101,838,572</u>	<u>22.66</u>	<u>101,638,572</u>	<u>26.72</u>
<b>Surplus</b>				
Accumulated Surplus	243,335,930	54.14	221,711,503	58.29
Current Net Surplus	25,808,397	5.74	21,624,427	5.68
Total Net Surplus	<u>269,144,327</u>	<u>59.88</u>	<u>243,335,930</u>	<u>63.97</u>
Total Net Worth	<u>370,982,899</u>	<u>82.54</u>	<u>344,974,502</u>	<u>90.69</u>
Total Liabilities and Net Worth	<u>\$449,441,251</u>	<u>100.00</u>	<u>\$380,376,093</u>	<u>100.00</u>

## Accounting Research and Development Foundation Statements of Comprehensive Income For the Years Ended December 31, 2022 and 2021

(Expressed in New Taiwan Dollars)

	2022	%	2021	%
<b>Revenues</b>				
Operating Revenues	\$74,839,434	68.13	\$70,816,582	72.89
Research Revenues	11,248,898	10.24	11,638,000	11.98
Membership Fees	5,122,067	4.66	5,116,674	5.27
Contributions	17,825,860	16.23	7,747,217	7.97
Other Revenues	817,174	0.74	1,836,898	1.89
Total Revenues	109,853,433	100.00	97,155,371	100.00
<b>Expenses</b>				
Operating Expenses	52,333,848	47.64	47,299,714	48.68
Research Expenses	18,049,178	16.43	18,361,055	18.90
Depreciation	3,533,742	3.22	1,650,532	1.70
Other Expenses	8,943,589	8.14	6,329,375	6.52
Interest Expenses	451,152	0.41	-	-
Total Expenses	83,311,509	75.84	73,640,676	75.80
Current Surplus Before Tax	26,541,924	24.16	23,514,695	24.20
Income Tax Expense	(733,527)	(0.67)	(1,890,268)	(1.94)
Current Net Surplus	\$25,808,397	23.49	\$21,624,427	22.26
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	\$25,808,397	23.49	\$21,624,427	22.26